Accounting Methodology Documentation

Relating to the 2025 Regulatory Financial Statements

BT Group

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Part One: Overview

1. Introduction

1.1 Overview of the AMD: Purpose and Structure

Ofcom directs BT as prescribed in Condition 11 – Regulatory Financial Reporting Wholesale Fixed Telecoms Market Review (WFTMR) 2021-26 published in March 2021 to:

- prepare, maintain and keep up-to-date the Accounting Methodology Documents in accordance with the Conditions and with the Regulatory Accounting Principles (RAP) (as laid out in the above market review); and
- include in the Accounting Methodology Documents documentation setting out a description of each of:

  (a) its Attribution Methods;
  (b) its Transfer Charge System Methodology;
  (c) its Accounting Policies;
  (d) the valuation principles used to value assets; and (e) the Regulatory Accounting System.

The Accounting Methodology Document (AMD) is published annually to ensure compliance with this transparency direction, and sets out the basis on which we prepare the Regulatory Financial Statements (RFS).

It is used to describe:

- Legal and accounting frameworks under which the RFS are prepared;
- Costing principles used to prepare the RFS on a fully allocated cost basis;
- Different stages of the Accounting Separation (AS) process to attribute revenue, costs and capital employed to the defined Markets and Technical Areas of BT;
- The systems and processes used by BT to support AS; and
- Valuation principles to value assets on a current cost basis.

The AMD shows that we[1] have prepared the RFS in compliance with the Significant Market Power (SMP) conditions that apply to BT and, along with the Wholesale Catalogue, serves as the basis for the RFS' Properly Prepared in Accordance with audit opinions.

The Wholesale Catalogue is published alongside the AMD and describes the wholesale services included in the Wholesale SMP markets and technical areas where BT has a regulatory financial reporting obligation.

The AMD is structured in the following parts:

- **Part One** provides a high level overview of BT's regulatory reporting principles and concepts;
  - Section 1 explains the key concepts associated with Regulatory Reporting.
  - Section 2 sets out BT's organisational structure.
  - Section 3 sets out the differences between the RFS and our Annual Report and Accounts.
  - Section 4 summarises the different attribution layers within our cost attribution model software, and sets out the **concept of a methodology taxonomy and driver classifications**, which are used to group methodologies of a similar nature in Part Two, Section 5.
- **Part Two** is a reference manual of methodologies[2], intended to be used by technical users of the RFS;

[1] The terms 'the Group', 'the Company', 'BT', 'we', 'us' and 'our' refer collectively to BT Group plc and its subsidiary undertakings.
[2] Part Two: Detailed methodologies section has been written to specifically describe at least 90% of the total ledgered value allocated to SMP markets, and explains material elements of our methodologies, rather than all data and calculation steps.

All entries have a standardised tabular format detailing the key aspects to a methodology, which include:

Title	The title of the attribution object.
Overview	A summary of the methodology is provided, except for where the attribution object allocates directly to a single destination.
Description	**1. Source cost and MCE**: The types of costs apportioned or allocated by the attribution object are explained. **2. Cost and MCE categories**: The source costs and MCE are summarised into key categories, in line with a structured hierarchy.
	3. Summary destination: The key destinations the attribution object apportions or allocates to are listed. This includes other attribution objects, services and markets.
	4. Methodology taxonomy: The methodology type, based on structured hierarchy of driver. **5. Driver classification**: The key driver of the attribution methodology is documented, in line with a structured hierarchy. An introduction to these methodology taxonomy and driver classifications can be found in Part One, section 4.7 'Methodology categories'.
	6. Data source summary: The key data sources used to apportion the source costs and MCE are summarised. This is not applicable for attribution objects that allocate direct to a single destination.
Data sources	The key data sources grouped and presented, as follows: Data category: Data driver (Source system) This is not applicable for attribution objects that allocate direct to a single destination.
Calculation steps	Calculation steps for attribution methodologies are documented within Annex nine 'Calculation Steps', except for where the attributions are Direct Allocations. The key aspects of each significant methodology are summarised, and the key calculations are noted. A worked example is presented for each calculation step to provide transparency. The values used in these calculations are notional and do not reflect actual BT data.

- **The Annexes** providing further relevant reference information and are published alongside the AMD or, in some cases, as a separate document on our website[3]; and
- **The Glossary** providing definitions of key terms and acronyms.

1.2 Regulatory Reporting Requirements

BT operates predominantly within the UK telecommunications sector and as such, we are regulated by Ofcom (the UK's independent communications regulator, www.ofcom.org.uk), the Communications Act 2003 and related legislation.

Ofcom needs product profitability information from BT in order to assess competition. According to Ofcom's conditions and directions relating to its Significant Market Power (SMP) findings, BT is subject to regulatory financial reporting obligations for Markets and Technical Areas where we are deemed to have SMP. These obligations are fulfilled in the form of the RFS, a set of annual product profitability statements which show our costs, revenues, assets and liabilities against regulatory markets and services as defined by Ofcom in their market reviews.

The key purpose of regulatory reporting requirements is to provide Ofcom with the information necessary to:

- make informed regulatory decisions;
- monitor compliance with SMP conditions;
- ensure those SMP conditions continue to address the underlying competition issues; and
- investigate potential breaches of SMP conditions and anti-competitive practices.

Ofcom's directions set out the measures to be published, as well as the allocations and accounting principles to use. The resulting key differences between the RFS and the BT Group Annual Report are discussed in Section 3 'Accounting Policies'. The RFS set out the markets in which BT are considered to have SMP. These markets, along with an overview of key market details, can be found on within the 'Introduction to the Regulatory Financial Statements' section of the FY25 RFS.

[3] Key destination tables specify the destinations and are presented in Annex one which is published separately on the Company's website. This should be used in conjunction with Part two.

1.3 Legal Conditions and Directions set out by Ofcom

Ofcom imposes regulatory financial reporting requirements across all of the fixed telecoms markets in which we are regulated, comprising:

- Physical infrastructure (PI);
- Wholesale Local Access (WLA);
- Leased Lines Access (LLA);
- Inter-exchange Connectivity connectivity (IEC); and
- Shared ancillaries
- Wholesale Call Termination (WCT);
- Time division multiplex interconnection (TDMI); and
- IP Interconnection.

These requirements are imposed by Ofcom by way of an SMP condition set in each regulated market and a suite of directions imposed in each market pursuant to the associated SMP condition. The SMP condition sets out Ofcom's general regulatory financial reporting requirements, including accounting separation and cost accounting. The directions then set out the detailed regulatory financial reporting requirements.

The RFS for the year ended 31 March 2025 are prepared in line with the legal conditions and directions which can be found in the 'Basis of Preparation' section of the FY25 RFS.

1.4 Key Principles and Methodologies in the RFS

The RFS is governed by the Regulatory Accounting Principles (RAP) (see section 2.1 basis of preparation in the FY25 RFS for details) and underpinned by Activity Based Costing (ABC), Current Cost Accounting (CCA) and Mean Capital Employed (MCE) accounting methodologies:

1.4.1 Activity Based Costing

A costing method that recognises the relationship between costs, activities, products and services, and uses these relationships to assign overhead and indirect costs to related products and services.

Activity based costing first assigns costs to the activities that are the real cause of the overhead and indirect costs. It then assigns the costs of those activities only to the products and services that demand the activities.

1.4.2 Current Cost Accounting

A method of accounting in which assets are valued on the basis of their current replacement cost and changes as a result of their valuation are recognised against operating profit in the RFS.

1.4.3 Mean Capital Employed

Capital employed is the total amount of capital used for the acquisition of profits. It is the value of all the assets employed in a business, and can be calculated by adding fixed assets to working capital or by subtracting current liabilities from total assets. Capital employed is primarily used by analysts to determine the return on capital employed (ROCE).

2. Business Overview

This section gives an overview of our business' organisational structure.

BT operates as a single business made up of different divisions and departments, which can be categorised in three distinct types:

Unit	Description
Customer Facing Units (CFUs)	Sell products and services to customers
Corporate Units (CUs)	Support the whole of BT Group
Technology Units (TUs)	Includes Network and Digital divisions and also leads our innovation and Research and Development (R&D) activity.

Organisational structure

Customer Facing Units (CFUs) are Profit Centres (PCs), focused on maximising value for us and our customers. Corporate Units (CUs) and Technology Units (TUs) are PCs managing and serving the whole of BT.

All costs, revenues, assets and liabilities are recorded by PC at the general ledger account level. Underlying source systems are used to record transactions, these map to PCs using Organisational units. Indirect cost of sales (COS), Selling General & Admin (SG&A) expenses, depreciation and amortisation costs are also recorded against a Cost Centre (CC).

Part Two: Section 5.3 'Organisational Driven Bases' will provide an overview of the different allocation rules for Costs and MCE that originate in each CFU, CU or TU.

3. Accounting Policies

This section explains the basis of the preparation of the RFS and highlights any differences between current cost and historical cost policy as set out in BT's Annual Report. Details of how these balances are attributed are included in Section 4 'Attribution overview' of this AMD.

3.1 Basis of preparation of the RFS

The RFS are prepared 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, except where directed by Ofcom to apply alternative valuation methodologies.

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 IAS and IFRS and related interpretations, as adopted by the United Kingdom. The consolidated financial statements also comply with IFRS as issued by the International Accounting Standards Board (the IASB). Our consolidated financial statements are prepared on the historical cost basis, except for certain financial and equity instruments that have been measured at fair value. Our RFS have been prepared on a CCA basis and as such, there are differences between the RFS and Annual Report which are set out in 'Key differences in accounting policies' within this section.

The Group's accounting policies are detailed within BT's Annual Report for the year ended 31 March 2025 which is available from our website: www.BTplc.com, or from our registered office: BT Group plc, One Braham, 1 Braham Street, London, E1 8EE

3.1.1 Accounting methodology documents

The Accounting Methodology Documents are made up of the following:

1. Regulatory Accounting Principles[4];
2. Apportionment Methodologies;
3. Transfer Charge System Methodology;
4. Accounting Policies

3.2 Key differences in accounting policies

The attribution of costs between BT and Openreach is on a different basis to the ARA. These differences are set out in reconciliation presented in Section 5 'Attribution methodologies dictionary' of the RFS for the year ended 31 March 2025.

3.2.1 Principles of Valuation of Non-Current Assets

Current Cost Accounting

Under the Current Cost Accounting (CCA) convention, asset values are adjusted to reflect their value to the business, usually equivalent to their net replacement cost (NRC). NRC is derived from the asset's Gross Replacement Cost (GRC) and equates to the current purchase price of an identical new asset, or the cost of a modern equivalent asset (MEA) with the same service potential, except where we are directed by Ofcom to apply a different valuation methodology. Holding gains and losses are recognised on the revaluation of asset, and supplementary depreciation is the in-year increase of depreciation charge resulting from the change in asset value.

Other differences between CCA and HCA transactions are reported as 'other CCA adjustments' e.g. under CCA accounting the value of disposals and write-offs reflect their revalued NRC. All MCE numbers reported reflect the revalued NRCs. We use the same accounting policies in HCA and CCA, including the same useful economic asset Accounting Policies.
CCA and HCA charge the same amount to the income statement over the life of the asset (including supplementary depreciation as a result of CCA changes). We allocate CCA adjustments to the income statement and balance sheet to Markets using the same principles and processes as we use for allocating the historical costs for the same assets. The valuation types associated with CCA, along with the different ways in which we employ them, are explained in Section 7 'CCA valuation methodologies' .

IFRS16 'Leases'

To avoid a significant increase in our asset base which would have reduced comparability between the ROCE reported in the RFS and Ofcom's approach to setting prices, we have included a portion of the non-current lease liability for property leases in our asset base. This adoption of IFRS16 in the RFS means there is a minimal impact in our market ROCEs. It is therefore included as a reconciling item within the MCE reconciliation.

[4] Published separately to this document by Ofcom in Direction 1: 'Direction specifying the Regulatory Accounting Principles' as notified in the WFTMR and WVMR dated March 2021.

Property, Plant and Equipment and Software Intangible Assets

BT's fixed assets are categorised into a range of sub-accounts known as CoWs within the fixed asset register (FAR). These CoW describe the type of asset in detail and are an appropriate level of granularity for us to make our valuation decisions. They are grouped into a smaller number of asset categories for the purpose of presentation in the RFS. Details of the CoW included under each asset category are provided in Annex one.

Property, plant and equipment are stated at current cost less depreciation. The GRC of the major categories of property, plant and equipment and software intangible assets has been assessed on the following basis:

Land and buildings

This sector contains the asset values that are booked to BT CoW for land and buildings, including BT owned corporate offices and network buildings, that are freehold, long leases and short leases, which are valued at historical cost.

Copper

Copper includes copper cables across the network, as well as the equipment required to carry signals between the end-user and the exchange. Copper cable is valued using the indexed historic methodology and the Office of National Statistics (ONS) published Retail Price Index (RPI).

Fibre

Fibre includes the spine and distribution cables, as well as the equipment required to connect the end-user and the exchange. Access fibre cables are valued using the historic cost accounting methodology.

Duct

Duct is a pipe, tube or conduit through which underground cables are passed. Duct is valued using either:

- the indexed historic methodology and the ONS published RPI; or
- for duct used by access cables, a prescribed Regulatory Asset Valuation ("RAV") methodology which Ofcom have directed us to use.

Poles

Poles are valued using the indexed historic methodology and the ONS published Retail Price Index (RPI).

Electronics
Electronics includes assets associated switching for 21CN voice, ethernet and broadband traffic. Electronics to support Fibre To The Cabinet (FTTC) and Fibre To The Premises (FTTP) and IP Network Capital. These assets are valued at historical cost. System X Local Exchanges are revalued using extrapolated absolute valuation.

Right of use assets

Right of use (RoU) assets relate to assets recognised following the implementation and subsequent treatment of IFRS16. Assets are valued at historical cost.

Funded assets

Funded assets include grant funding received in relation to eligible capex spend incurred. Assets are valued at historical cost.

Software

Includes internally developed and externally purchased software, valued at historical cost

Other non-current assets

This sector contains the asset values for a variety of assets used by BT, valued mainly at historical cost. It also includes specialised accommodation assets which are valued using the indexed historic methodology.

Depreciation

Historical Cost Accounting (HCA) depreciation is provided on property, plant and equipment on a straight line basis from the time the asset is available for use. Freehold land is not depreciated.

Installations costs treated as operating expenses

Under IFRS (as adopted by the United Kingdom), expenditure which meets the recognition principles of IAS 16 (International Accounting Standard 16) are capitalised. Ofcom most recently directed as part of the WFTMR dated March 2021 a deviation from this standard for the recognition of installation and planning costs related to specific services. In FY25 these are:

- GEA Customer Site installation;
- Tie Cables;
- GEA Cable Links;
- Abortive Visits;
- Expedite charges;
- Above the line Network Adjustments;
- Co-mingling services; and
- Excess Construction Charges (ECCs).

This means that certain planning and installation costs are treated as operating expenditure in the RFS, in line with connection revenues received (as compared to capital expenditure in accordance to IFRS and BT's accounting policies), and the opening mean capital employed associated with these activities is also removed.

3.2.2 Revenue

In most cases we use revenues directly from the accounting records and published price lists, however in some cases the service sold by Openreach differ from the service as defined by Ofcom. In these cases we use methodologies to combine or split revenues to report the services in the RFS.

IFRS 15 Revenue

IFRS 15 sets out the requirements for recognising revenue and costs from contracts with customers.

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 lease term[5]. The largest impact is seen in our Wholesale Local Access, Leased Lines Access and Inter Exchange connectivity markets. We report individual service level revenues on an IAS18 basis (i.e. SLG payments are treated as an operating cost), with total market revenues reported on a post-IFRS 15 basis. The adjustment is presented on an IFRS 15 specific service within the market schedule.

Service Level Guarantees (SLGs)

We are required to report SLGs as operating costs within the RFS. Under IFRS15 these would typically be reported as a negative revenue. In order to aid reconciliation of revenue between the RFS and BT Group Annual Report within each relevant market an SLG service is included containing the relevant negative revenue. Each relevant published service will take an allocation of SLG costs in line with the methodology published in section 5 of this AMD; this is offset within costs at a market level on the SLG specific service. The result of this treatment is that published services report revenue gross of SLGs and include within costs, whereas market level results report revenue net of SLGs.

3.2.3 Government Grants

Government grant funding is received 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 (e.g. Broadband Delivery UK (BDUK) grant funding received from the Department of Digital, Culture, Media and Sport; and European Regional Development Fund (ERDF) grants).

3.2.4 Equivalence of Input Services

Services are provided on an equivalent basis to all customers where Openreach are subject to an Equivalence of Input (EOI) obligation. This means BT provides the same product or service to all CPs (including BT):

- on the same timescales; and
- under the same terms and conditions (including price and service levels); and
- by means of the same systems and processes.

3.2.5 Physical Infrastructure Assets

We are required to report on a separate market our physical infrastructure available to CPs, which facilitates the provision of network access and services to be provided to the end customer. The 'attribution of PI costs' captures those duct and poles costs which need to be allocated to downstream markets.

[5] The revised lease definition introduced by IFRS 16 has required us to evaluate whether there are any arrangements that are now in scope of the standard and should therefore be accounted for as leases. The accounting for ongoing rentals is unchanged under IFRS 16, however up front connections fees are now deferred over the lease term rather than the contractual period.

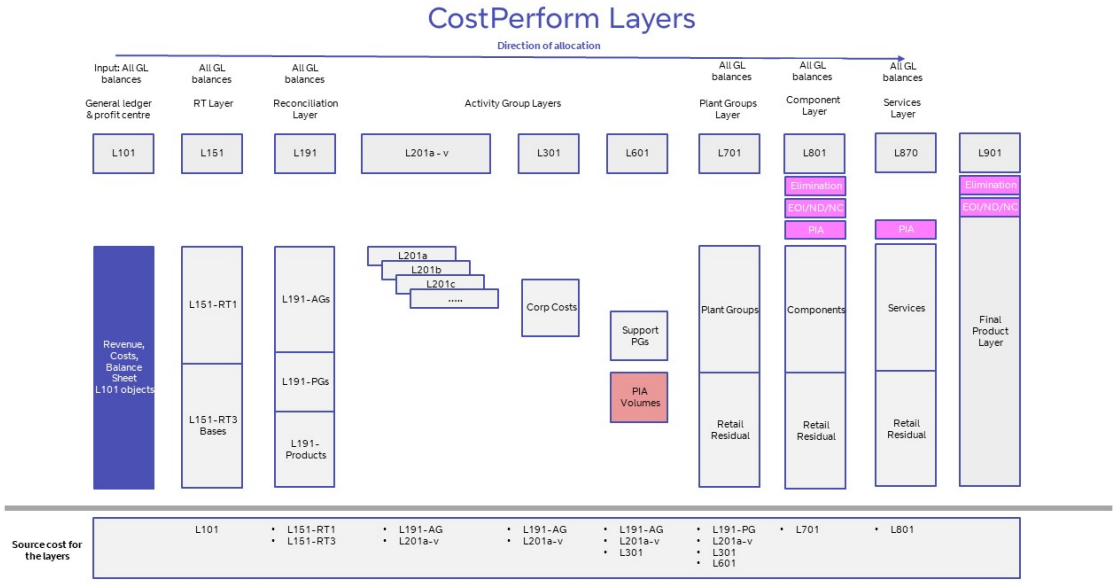
4. Attribution overview

4.1 Regulatory Accounting System

We use CostPerform (CP) as our Regulatory Accounting System. CP is an activity based costing system that attributes the costs, revenues, assets and liabilities to regulated and non-regulated markets, using a series of predetermined rules and bases which are detailed in Part Two of this AMD.

The CP model is structured in hierarchical layers. Costs, revenues, assets and liabilities are attributed through different layers to services, which are presented in the RFS, and ultimately to products in the final layer. The order of attribution is important as some onward attributions are based on 'Previously Allocated Costs' (PAC).

The diagram below illustrates the layer structure of CP used to prepare the RFS:



Layer 101 - GL layer

The first layer of CP is L101 and includes all balances recorded in the General Ledger (GL).

GL accounts are the lowest level at which financial data is used within preparation of the RFS. GL balances are recorded by PCs and for certain type of costs, CCs, and may also be assigned a Class of Work (CoW) which specifies the type of activity or asset engineers are engaged in, so costs can be reported by cost type or organisational dimensions.

We have Operational (BT01) and Group (BTGR) GL codes as well as Competition Finance (BTCF) and Current Cost Accounting (BTCC) accounts which have markers assigned to provide additional information about the cost or asset. Attribution rules are applied on either CoW level or account level or for a combination of account and organisational unit. These GL accounts by organisational units are a form of data input to CP, and allocated to Activity Groups (AGs) and Plant Groups (PGs) before being allocated on to Components, or directly to products, depending on the attribution rule.

GL accounts are grouped into parent nodes, categorised based on similar functionalities, with each category associated with either 'Income Statement' or 'Balance Sheet' for reporting purposes. These parent nodes are then further aggregated into the reported RFS sectors.

Layer 151 - Rule type layer

The second layer in CP is L151 and contains all balances from Layer 101. It is split based on attribution rule types which are explained in Section 4.3 'Rule type layer overview - L151'.

The attribution rules are uploaded to the system in the form of percentage apportionments, as set out in Section 5 'Attribution methodologies dictionary'.

Layer 191 - Reconciliation layer

This layer includes all balances, after the base attributions are done.

Layers 201, 301 and 601 - Activity Group layers

These layers include the proportion of balances which are allocated between different AGs. An overview of AGs is outlined in Section 4.4 'Activity Group layer overview - L201, L301, L601', with attribution methodologies set out in Section 5.4 'Activity Groups'. We also capture PIA Volumes on the last AG layer to track their allocation.

Layer 701 - Plant Group layer

This layer includes all balances. Costs and assets which relate to activities such as training, development, facilities management and general corporate costs are attributed to PGs and Retail Residual, using methodologies appropriate to the type of costs they attribute. An overview of PGs is outlined in Section 4.5 'Plant Group layer overview - L701', with attribution methodologies set out in Section 5.5 'Plant Groups'.

Layer 801 - Component layer

This layer includes all balances, as well as EOI recharges, PIA downstream costs (see section 6 for details) and notional debtors and creditors. The costs and assets relating to network overheads (e.g. accommodation costs for network building; cost of providing power to exchanges and transmission assets), are attributed from PGs onto components using methodologies specific to the type of cost or assets being attributed. The balances are reported as 'Components' or 'Retail Residual', based on previous allocation pathways. An overview of components is outlined in Section 4.6 'Component layer overview - L801' with attribution methodologies set out in Section 5.6 'Components'.

Layer 870 - Service layer

This layer includes all balances, as well as EOI recharges, PIA Downstream costs (see section 6 for details) and notional debtors and creditors. Components contain costs and assets which use BT's network and these are attributed onwards to the relevant services using factors and volumes.

Layer 901 - Product layer

This layer includes all balances, aggregating services into specific products. This layer is not used for RFS reporting.

4.2 Journals overview

Journals are required in the RFS where we are unable to use the ledger data in its original format. There are two types of journal, which are set out below:

Journal Type	Description
Accounting adjustment	Where the RFS demands an asset is either recognised or derecognised, typically creating a P&L impact resulting in a difference between the RFS and ARA.
Allocation adjustment	In some cases, where the data in the underlying ledger does not provide the granularity required to apply a specific methodology rule, the most efficient way to apply a methodology is via a journal. This does not alter the overall profit of BT Group, or create a difference between the RFS and ARA.

Journal methodologies are set out in Part Two of the AMD, Section 5.1 'Journals'.

4.3 Rule type layer overview - L151

All costs, revenues, assets and liabilities are attributed using one of 2 types of attribution.

Order	Rule Type	Name	Calculation	Allocation basis
1	Rule type 1	Direct Allocation	Fixed in CostPerform	Allocates 100% of the balance to one specific AG, PG, or directly to Retail Residual, based on the type of cost or balance.
2	Rule type 3	Attribution bases	Apportionment workflow	Apportions the balances between multiple cost pools, using a % attribution rule calculated within a workflow.

4.3.1 Rule Type 1 Direct Allocations

Rule Type 1 allocations refer to instances where we assign revenues, costs, assets and liabilities that can be directly attributed to one distinct destination using their PC, CoW and GL code combination.

Many costs are attributed using Rule Type 1 based on the CoW and PC combinations, or based on just the CoW. The following are examples of CoWs where 100% of their costs are attributed using direct apportionments:

CoW	Description	Destination
ADSL	Construction, Digital Subscriber-line (FAR)	Openreach costs are attributed to PG152B (Other Openreach Repairs) Other costs attributed to PG153N (DSLAM - Equipment)
APARR	P&I Tele Answering & Recording M/cs, Residential	All costs are attributed to RoBT
APCTB	Provision & Installation IT Products & Services-Business	All costs are attributed to RoBT
APMSB	Apparatus - Provision (& installation) of a medium and small switch for customers.	Openreach costs are attributed to PG981R. All costs are attributed to RoBT.
APOPR	P&I, Other A.S.B. Products for Customers	All costs are attributed to RoBT.
CPDSL	Circuit Provision - Asymmetric Digital Subscriber line (ADSL)	Predominantly Consumer costs that are attributed to RoBT except for: Technology, Business Centre cost to PG145N. Openreach costs to PDTCPDSL
DTTS	Construction, Short-Haul Multimode of Private Ccts	PG457A
DTTSW	Construction of SHDS links for BT Business Products	Construction of SHDS links for BT Wholesale Products: PG467A
FTTX	FTTx Customer Premises Provision	PG954C
GFA	Grant Funded Assets	PG998A
HK	Repayment Work - Alterations (Statutory)	Openreach costs and MCE to PG980R Other costs and MCE to RoBT
HSW	Repayment Work - Alterations (Major Works)	Openreach costs to PG980R except for BDUK to PG197A Other CFU costs to RoBT
J	P&I-Jumpering in Exchanges	PG142A
JLU	Jumpering in Exchanges Specific to LLU	PG142A
LDC	Construction, Local Distribution Cable	All costs and MCE to PDTLDC, except for Repayment works recognised against PG980R, Business against Residual, and BDUK to PG990A or PG999A
LFME	Construction, Local Network Service Module Equipment	PG953C, unless BDUK (to PG999A or PG990A)
LFXE	Construction Local Line of Exchange Service Module	PG952C unless BDUK (to PG999A or PG990A)

CoW	Description	Destination
PT	Routine Testing of Poles and Wire & Cable Clearance	PG201P
TPWA	Construction, Access Radio Systems	PG115C, except for BDUK (to PG999A or PG990A)

A list of material Direct Allocations are published in Annex one.

4.3.2 Rule Type 3 apportionments

This section provides an overview of bases methodologies which can be grouped into two categories; 'attribution bases' and 'organisational driven bases'.

Attribution bases

We have defined a set of attribution bases methodologies to attribute costs to AGs, PGs, and RoBT cost categories.

These methodologies (sub-divided by department in some instances) either:

- attributes 100% of the a costs type to a particular cost category; or
- apportion the cost across multiple cost categories.

They attribute costs onwards based upon the functions of CoWs and how they support regulated services. This can involve combinations of department or division, therefore a methodology is applied to cover this more general cost base that is associated with.

Details of specific methodologies are set out in Part Two of this AMD, under Section 5 'Attribution methodologies dictionary'.

Organisational driven bases

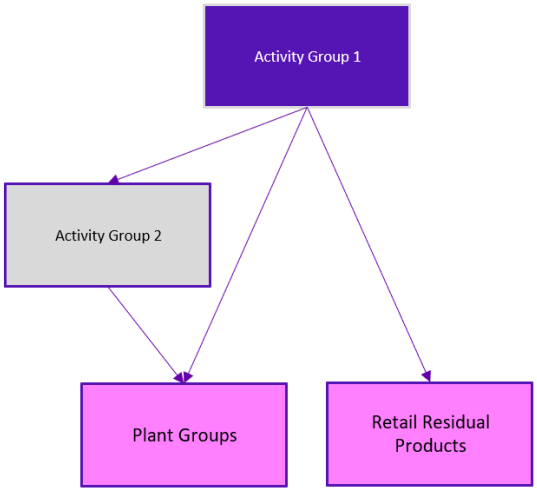
Where there is a consistent and straight forward attribution treatment of the Division at a PC level, the same attribution process is applied to the Division as a whole.

In instances where most of an departmental cost or MCE is attributed in a certain way, the specific treatment will be detailed in Part Two of this AMD, under Section 5.3 'Organisational Driven Bases'. Explanations will indicate that for specific departments, the relevant base dictionary will contain the methodology for the attribution of the exceptional costs.

4.4 Activity Group layer overview - L201, L301, L601

Activity Groups (AGs) are used to attribute large pools of costs or capital expenditure which relate to parts of the business (e.g. support functions including Group Property and Facilities Management), rather than specific groups of services. The majority of AG attributions are system driven calculations based on simple drivers such as headcount, or PAC.

We attribute the costs of all AGs into other AGs (intra-AG allocation), PGs or Residual products, as illustrated below:



Details of AG methodologies can be found in Section 5.4 'Activity Groups' of this AMD.

4.5 Plant Group layer overview - L701

Plant Groups (PGs) are used to attribute the costs and asset values of activities, equipment and infrastructure for the purposes of running and selling network services (e.g. Provision and maintenance activities, MSAN equipment, Copper infrastructure), to components.

Approximately one third of PGs have a Direct Allocation to Components, and the remaining two-thirds use a methodology to apportion costs across multiple Network Components.

Details of PG methodologies can be found in Section 5.5 'Plant Groups' of this AMD.

4.6 Component layer overview - L801

Components are groupings of costs and are used to attribute costs and asset values representing discrete parts of BT's Network. Component attribution is the final stage of the attribution process, with cost and asset values allocated to Services. These services are then grouped to represent different Markets for regulatory purposes.

Component to service attribution

The cost of each component can either be:

- directly allocated to an individual product/service; or
- an attribution methodology can be used to apportion the cost to multiple products/services.

The attribution methodologies are often directly linked to service volumes and hence drive the attribution of costs. For example, if Component A is used by two services, each with equal volume usage, then the attribution of costs of Component A to the two services will reflect an equal split.

Introduction to factors and factored volumes

The total costs of the Wholesale Markets can be obtained by aggregating the costs of all components. However, it is necessary to attribute that total cost to individual wholesale services.

In cases where components are used by multiple services it is necessary to factorise the component volume per service to determine the cost attribution. For services provided on a cost basis, the cost to Wholesale Markets of providing such service is the cost of each component used in providing the service.

For some Wholesale services, the calculation of the cost of service provision is more complicated, as each service represents the utilisation of one or more network components, and its cost is therefore determined by an attribution of component costs.

This attribution can involve the calculation and application of route factors, usage factors or other appropriate basis of apportioning components costs.

Usage factors are one of the most common ways of determining a service's usage of a particular component.

Derivation of usage factors

Usage factors reflect the use of a particular component by different services. For example, engineering time is used to calculate the component to service usage factor for FTTC provisions, whereas the usage factor for frames at local exchanges is based on the number of jumpers used by each service.

The example below shows how component costs are attributed to services:

Component X has total cost of £1,000 and allocates onwards to two services. Service A uses two lines to deliver the service, and service B uses just one of the same type of lines, therefore the usage factors are two and one.

	Unfactored volume (units)	Usage factors	Factored volume	Calculation step		Cost attributed to service
Service A	600	2	1,200	Cost x factored volume / Total factored volume	1,000 x 1,200 / 1,600 = £750	£ 750
Service B	400	1	400		1,000 x 400 / 1,600 = £250	£ 250
Total	**1,000**		**1,600**			**£1,000**

- The component factored volume is calculated by multiplying the service volume by the component-service usage factor (i.e. how many components are used by that service). The costs are those that have been attributed through to the component layer in CP.
- The component factored volumes are then used to calculate the cost of the service.

In many cases the product or service volume weighting is one, and in this instance we can use raw volumes to derive the cost of the service, as set out in Section 5.6 'Components'.

In the above example without using factors the cost would be split between A and B in the ratio £600:£400, this demonstrates that because Service A uses Component X comparatively more than Service B does, it should take a higher proportion of its cost.

The calculation of usage factors for the most significant components, as well as methodology details can be found in Annex nine of this AMD, Section 5.6 'Components'.

4.7 Methodology categories

Under ABC we allocate costs and MCE directly to products and services wherever possible. We have classified these methodologies as:

- Direct; and
- Direct residual.

Where there is not a direct relationship, we follow specific methodologies utilising a common driver. We have grouped our methodologies in part two of the AMD based on the common drivers listed below:

- Asset metrics
- Electricity
- Labour
- Network data
- Other Miscellaneous
- Property and Insurance
- Revenue and volumes
- Service level guarantees (SLGs)
- Activity Groups

Within each category, the methodology can be further split as either:

- Organisational - e.g. CFU-driven; or
- Cost based - e.g. LFDC CoW driven.

Direct

A 'Direct' allocation methodology involves a 100% apportionment pathway, at any layer in our CP model, from either:

- Layer 101 to a base, AG or PG, using a RT1
- One base to one PG or AG
- One PG to one Component

No data sources are required to calculate the allocation pathway.

Direct residual

A 'Direct residual' allocation methodology involves a 100% apportionment pathway directly to an unregulated, residual market from Layer 101 in our CP model using a RT1.

No data sources are required to calculate the allocation pathway.

Asset metrics

An 'asset metric' is a measure associated with an asset base, such as network equipment, infrastructure and BT buildings.

Methodologies classified as 'asset metrics' use the below key drivers throughout our cost allocation process, depending on the type of cost and MCE apportioned:

Driver	Description
Asset useful life	The useful life of an asset is used to recalculate depreciation, and determine the allocation.
Capex spend	Capital expenditure, usually per CoW, is used to calculate the allocation of an asset.
CCA indexation values	CCA indexation values are used to calculate the allocation of CCA adjustments.
Gross Book Value (GBV)	Total capital employed for each asset class, primarily split by CoW, is used to apportion assets that are not impacted by CCA adjustments.
Gross Replacement Cost (GRC)	Current GRC is primarily used to apportion expedite provision costs.
In year depreciation	Current year depreciation charge relating to particular assets is used to determine the apportionment of bases/PGs that contain depreciation opex costs.
Net Book Value (NBV)	The current value of assets is used to apportion bases/PGs that contain assets that are not impacted by CCA adjustments.
Net Replacement Cost (NRC)	The replacement cost of assets is used to apportion bases/PGs that contain assets that are impacted by CCA adjustments.

Driver	Description
Network adjustment costs	Cost are apportioned based on existing physical infrastructure for network accessibility.
PIA component costs	Apportionment is based on the average unit cost of PIA network components (e.g. ducts and poles).
PIA component volumes	Apportionment is based on volumes of PIA network components (e.g. ducts and poles) measured either in units (e.g. manholes) or distance (e.g. duct).
Rateable asset value (RAV)	Apportionment is based on the rateable network assets within BT's network, in order to allocate Cumulo property tax charges and liabilities.

Electricity

An 'electricity' base relates to methodologies centred around the provision of power.

Methodologies classified as 'electricity' use the below key drivers throughout our cost allocation process, depending on the type of cost and MCE apportioned:

Driver	Description
Electricity cost	Allocations are determined based on costs for particular CoWs, driven by usage and the average unit price per kWh.
Electricity usage	Allocations for particular buildings or equipment are determined based on total actual usage, or average usage rates per item.

Labour

A 'labour' base relates to methodologies centred around the provision of staff.

Methodologies classified as 'labour' use the below key drivers throughout our cost allocation process, depending on the type of cost and MCE apportioned:

Driver	Description
FTE costs	Cost of full time equivalent employees are used as the basis of allocation.
FTE headcount	The number of FTE employees drives the basis of allocation.
FTEs using employee broadband	The number of FTE employees that have taken up the employee broadband offer drives the basis of allocation.
Labour hours and labour rates	Total labour hours multiplied by labour rates are used to determine the allocation split.

Network data

Methodologies based on 'network data' utilise various non-financial metrics that relate to the BT/Openreach Network (e.g. stats for Equipment, Circuits, Calls, Fibres, and Bandwidth). These metrics can be sourced from a wide range of systems and sources within the business.

Methodologies classified as 'network data' use the below key drivers throughout our cost allocation process, depending on the type of cost and MCE apportioned:

Driver	Description
Bearer volumes (CTCS)	Allocations are determined using volumes of 'bearers' on the network, per product platform.
Cable lengths (INS)	Allocations are based on the total number of cables, factoring cable density, within the fibre network being used for FTTx (NGA) and LLA/IEC services.
Channels per circuit	Allocations are based on average number of channels per circuit.
CISL platform volumes and factors (CCMIS)	Allocations are based on the volumes on the Common Intelligence Service Layer (CISL) platform.

Driver	Description
End-users / bandwidth and depreciation	Allocations are based on the total number of end users or average Bandwidth per end user depending on products and platforms on the network.
Equipment hits (CTCS)	Allocations are based on the number of elements of transmission equipment utilised by a number of active circuits on the network, per CoW.
Equipment volumes / bandwidths (CTCS)	Allocations are based on volumes and bandwidths of specific types of transmission related equipment utilised across the network, by location and function.
Fibre count by product (CTCS/ Other)	Allocations are based on ethernet fibre circuit volumes for LLA/IEC services, based on current (EAD) and legacy (WES & BES) circuits.
Fibre lengths (CTCS/ LLUMS/Other)	Allocations are based on fibre lengths (km) across the network, including bandwidth usage for data, voice and different technologies (e.g. NGA and Non-NGA).
Network topology mapping	Allocations are based on network topology mapping.
Operator assistance (OA) call volumes and duration (CCMIS)	Allocations are based on OA call volumes and duration by call or service type, including Emergency Operator Assistance (999) calls.

Other miscellaneous

Methodologies classified as 'other miscellaneous' utilise various financial and non-financial metrics that relate to the BT and Openreach business. These metrics can be sourced from a wide range of systems and sources within the business.

These methodologies use the below key drivers throughout our cost allocation process, depending on the type of cost and MCE apportioned:

Driver	Description
BT PC and laptop volumes	General computer costs associated with employee own use machines and equipment, which are recognised in the ledger, are used to determine the basis of allocation.
CoW list	The CoW list is used to determine which CoW's receive an allocation of cumulo charges.
Corporate special project costs	This driver uses the proportion of cost spent by CPZ on retail and non-retail projects in order to determine allocations.
CPDSL CoW costs	Costs recognised against the 'Circuit Provision Asymmetric Digital Subscriber line' (ADSL) CoW are used to calculate the allocation pathway.
Cumulo charges	Determines the ledgered cumulo cost to be allocated.
Cumulo service tagging	Cumulo service tagging is used to determine which services receive an allocation of cumulo charges.
Equipment costs	Equipment costs recognised in the ledger are used to determine the allocation pathway.
Fleet recharge costs	Fleet recharges are set out in section 8. Transfer charges .
Head-end equipment cost	Head-end equipment costs are used to determine allocations to PG952C and the decapitalisation of co-mingling recognised via a journal.
Internal profit margin	The business service team's assessment of internal profit margin is used as the basis of allocation.
Management accounts	The management accounts are used to determine allocations to Digital Overheads and prepare journals (e.g. liquid funds, salary provisions, software capitalisation).
Supplier contract values	Total supplier contract costs are used to calculate the cost allocation pathway.

Driver	Description
Supply chain recharges	Supply chain recharge data is identified in the ledger, recorded by CFU, and used to calculate the allocation pathway.
Total costs per service	Allocation of cumulo costs to services is calculated using ledgered costs per service.
Total opex cost per GL	Opex costs are used to calculate journal (e.g. FTTX, tie cables) and determine the amount of electricity charges.
Wayleaves payments	Poles & Duct Wayleaves payments are identified in the ledger and used to calculate the cost allocation pathway.

Property and insurance

A 'property and insurance' base relates to methodologies centred around the insurance premium costs and property costs (excluding electricity).

Methodologies classified as 'property and insurance' use the below key drivers throughout our cost allocation process, depending on the type of cost and MCE apportioned:

Driver	Description
Insurance premium costs	Allocations are based on insurance premiums.
Property costs (excl. electricity)	Allocations are based on the usage of building floor space.
Property sale proceeds	Allocations are based on the underlying property costs associated with the property sold.
Property space	Allocations are based on the usage of building floor space.

Revenue and volumes

'Revenue and volumes' relate to methodologies for revenue, price and volumes specific to Markets and Services.

Volumes are obtained from the business and used to derive revenue and allocate costs from components to services. Examples of such drivers are:

- Connection service volumes
- Ethernet revenue and volumes
- Ethernet service circuit volumes
- Openreach service revenue
- Openreach revenue and volumes
- Wholesale calls and revenue volumes
- Wholesale interconnect revenue and volumes

Revenue and volumes drivers with specific methodologies are set out below:

Driver	Description
Network feature service volumes	The volumes for network feature services are used to calculate the cost allocation basis.
Redcare CCTV circuits	CCTV circuit data is used to determine the basis of allocation.
Scrap sales volumes (tonnes)	The volumes for scrap sales are used to calculate the allocation basis of other income relating to the sale of copper.
Total revenue by CFU	The total revenue by CFU is used to calculate the allocation basis of the Ofcom Licence fee.

Service level guarantees

SLGs set out specific compensation a customer would be entitled to if the agreed quality of service set out in a service level agreement (SLA) is not met.

Methodologies classified as SLGs are primarily driven by SLG compensation payments, which are categorised by product and SLG type.

Activity Group (AG)

Activity Groups are summarised in Section 4.4 'Activity Group layer overview' - L201, L301, L601 and the methodologies associated with AGs are grouped as follows:

- System driven, where allocation are calculated in CP. These methodologies are further categorised as:
    - Pay - Pay or factorised pay costs are apportioned
    - PAC - Previously Allocated Costs, following the same apportionment from the general ledger stage in CP.
    - Other - including fleet and other operational costs are apportioned.
- Property and insurance - drivers are set out under 'Property and Insurance' in this section.

Part Two: Detailed methodologies

5. Attribution methodologies dictionary

Introduction

This section documents the details of methodologies applied to costs and MCE throughout the allocation process. It should be used in conjunction with the tables presented in Annex one: Detailed attribution tables, which set out the attribution pathways from one stage to the next.

5.1 Journals

Decapitalisation journals

As first 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, Co-mingling services and Excess Construction Charges 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.

Calculation steps for the journals are included in: Annex nine: Decapitalisation Journals.

Decapitalisation of Abortive Visit Charges

Title	Decapitalisation of AVC asset
Overview	This journal is an accounting adjustment to Abortive Visits Costs (AVC), which have been recognised as an asset in line with IFRS and BT's accounting policies. As first directed by Ofcom's WLA Market Review statement (28 March 2018), costs must not be capitalised where they are recovered from upfront revenues. Therefore, installation and planning costs related to Abortive Visits are restated as operating expenditure in the RFS.
Description	**1. Source Costs and MCE:** Capital expenditure and Operating expenditure for the following CoWs: NWB (Provision & Installation, Exchange lines (Business)) and NWR (Provision & Installation, Exchange lines (Residential)). **2. Cost and MCE Categories:** Non-current assets (Copper); and Depreciation (Copper).
	3. Summary Destination: PDTEPD; PG150B; and outside of the RFS.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver classification:** Gross Book Value (GBV), Asset Useful Life, Depreciation.
	6. Data Source Summary: SAP Fixed Asset Register report for the relevant CoWs
Data Source	Asset metrics: GBV (General ledger) Other: Total Opex (General ledger)

Decapitalisation of Above the Line Network adjustments

Title	Decapitalisation of Above the Financial Limit Network Adjustments Asset
Overview	This journal is an accounting adjustment, impacting both the balance sheet and income statement, to decapitalise Network Adjustments cost above the Financial Limit and book as operating cost. It also reverses the related depreciation expense. Ofcom's RFR statement (12 July 2019) directed BT to identify Network Adjustment costs both above the financial limit (of £4,750 per km) including network adjustments BT undertakes for itself (internal) and those requested by third parties (external). Network adjustment costs above the financial limit are to be treated as operating cost in the PIA market and the recovery of these costs for third parties (if external) are to be treated as operating income in the PIA market.
Description	**1. Source Costs and MCE:** Network Adjustments related to duct assets that exceed the Financial Limit of £4,750 per km. **2. Cost and MCE Categories:** Non-current assets (PIA); and Depreciation (PIA).
	3. Summary Destination: PG304N.
	4. Methodology Taxonomy: Asset metrics. **5. Driver classification:** Network Adjustment Costs.
	6. Data Source Summary: Openreach provide data on network adjustments carried out on poles and ducts, the data is split into costs above and below a threshold.
Data Source	Asset metrics: Duct Network Adjustments.

Decapitalisation of Cablelink

Title	Decapitalisation of Cablelink Asset
Overview	This journal is an accounting adjustment to Cablelinks, which have been recognised as an asset in line with IFRS and BT's accounting policies. As first directed by Ofcom's WLA Market Review statement (28 March 2018), costs must not be capitalised where they are recovered from upfront revenues. Therefore, installation and planning costs related to GEA Cablelinks are restated as operating expenditure in the RFS.
Description	**1. Source Costs and MCE:** Capital expenditure and Operating expenditure for the following CoWs: LFDC (Local Fibre Distribution Cable) and LFSC (Local Fibre Spine Cable). **2. Cost and MCE Categories:** Non-current assets (Fibre); and Depreciation (Fibre).
	3. Summary Destination: PDTLFDCBS, PDTLFDC and PDTLFSC.
	4. Methodology Taxonomy: Asset metrics. **5. Driver classification:** Gross Book Value (GBV), Asset Useful Life, Depreciation.
	6. Data Source Summary: SAP Fixed Asset Register report for the relevant CoWs
Data Source	Asset metrics: GBV (General ledger) Other: Total Opex (General ledger)

Decapitalisation of Co-Mingling

Title	Decapitalisation of Co-Mingling Asset
Overview	This journal, impacting both the balance sheet and income statement, is an accounting adjustment to decapitalise Co-mingling costs that have been recognised as asset in line with the IFRS and BT's accounting policies. As first directed by Ofcom's WLA Market Review statement (28 March 2018), adjustments are made to treat installation and planning costs related to 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.
Description	**1. Source Costs and MCE:** This journal is created to decapitalise co-mingling pay costs, and reverse depreciation costs. In-year additions are then booked as the P/L charge. This impacts the ACPA CoW. **2. Cost and MCE Categories:** • Decapitalisation: Non-current assets (Fibre), and Depreciation (Fibre) • In-Year Additions Cost: RoBT OPEX - excl. Depreciation (Other)
	3. Summary Destination: Predominantly PG132B and outside of the RFS.
	4. Methodology Taxonomy: Asset metrics. **5. Driver classification:** Gross Book Value (GBV), Asset Useful Life, Depreciation.
	6. Data Source Summary: The general ledger is used to obtain operational expenditure and MCE booked to the ACPA CoW.
Data Source	Asset metrics: GBV (General ledger); and Network data: Head end equipment costs (General ledger).

Decapitalisation of FTTX Customer Premises Provision

Title	Decapitalisation of FTTX Customer Premises Provision Asset
Overview	As first directed by Ofcom's WLA Market Review statement (28 March 2018), adjustments are made to treat installation and planning costs related to GEA Customer Site installation as operating expenditure in the RFS in line with connection revenues received, rather than recognising them as capital expenditure, in line with BT's accounting policies.
Description	**1. Source Costs and MCE:** This journal has been created to restate capitalised costs on the FTTX CoW (Customer Premises Provision) as operating expenditure, to the extent that upfront revenues have been received. Depreciation costs are reversed in line with the value decapitalised. Opening balances for capital expenditure and accumulated depreciation are also reversed, in line with values decapitalised in prior years. **2. Cost and MCE Categories:** Prior year decapitalised balances (NBV) – transferred from Non-current assets to Reserves Current year capex – transferred from Non-current assets to Opex Current year depreciation – transferred from Opex to Non-current assets
	3. Summary Destination: PG954C.
	4. Methodology Taxonomy: Asset metrics. **5. Driver classification:** Gross Book Value (GBV), Asset Useful Life, Depreciation
	6. Data Source Summary: SAP Fixed Asset Register report for the relevant CoW. Revenue data from ARC.
Data Source	Revenue & Volumes: revenue associated with FTTX Customer Site Installations (Actual Reporting Cube (ARC)) Asset metrics: GBV (General ledger) Other: OPEX (General ledger)

Decapitalisation of WLA Tie Cables

Title	Decapitalisation of WLA Tie Cables
Overview	This journal, impacting both the balance sheet and income statement, is an accounting adjustment to decapitalise Tie Cables costs that have been recognised as asset in line with the IFRS and BT's accounting policies. As first directed by Ofcom's WLA Market Review statement (28 March 2018), adjustments are made to treat installation and planning costs related to Tie Cables 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.
Description	**1. Source Costs and MCE:** This journal is created to decapitalise Tie Cables costs, and reverse depreciation costs. In-year additions are then booked as the P/L charge. This impacts the LMC CoW. **2. Cost: and MCE Categories:** • Decapitalisation: Non-current assets (Copper), and Depreciation (Copper) • In-Year Additions Cost: RoBT OPEX - excl. Depreciation (Other)
	3. Summary Destination: PG130A; PDTLMC; and outside of the RFS.
	4. Methodology Taxonomy: Asset metrics. **5. Driver classification:** Gross Book Value (GBV), Asset Useful Life, Depreciation.
	6. Data Source Summary: The general ledger and fixed asset reports are used to identify the operational expenditure and MCE associated with LMC CoW.
Data Source	Asset metrics: GBV (General ledger); and Other misc: Total opex (General ledger).

Decapitalisation of Excess Construction Charges

Title	Decapitalisation of Excess Construction Charges (ECC) assets.
Overview	This journal is an accounting adjustment to ECC, which have been recognised as an asset in line with IFRS and BT's accounting policies. As first directed by Ofcom's WLA Market Review statement (28 March 2018), costs must not be capitalised where they are recovered from upfront revenues. Therefore, installation and planning costs related to Excess Construction Charges are restated as operating expenditure in the RFS.
Description	**1. Source Costs and MCE:** Capital expenditure and Operating expenditure for the following CoWs: LFSC (Local Fibre Spine Cable), LFDC (Local Fibre Distribution Cable) and LFD (Construction, Local Duct for Optical Fibre Cable). **2. Cost and MCE Categories:** Non-current assets (PIA and Copper); Depreciation (PIA and Copper). **3. Summary Destination:** PDTDUCT, PG003Y, PG006X and PG006Y. **4. Methodology Taxonomy:** Asset metrics. **5. Driver classification:** Net Book Value (NBV), Depreciation and Capex Spend. **6. Data Source Summary:** SAP Fixed Asset Register report for the relevant CoWs
Data Source	Asset metrics: GBV (General ledger) Other: Total Opex (General ledger), Revenue and Volumes (ARC), NIMS (Network Instruction Management System) and ECC Calculator (ECC activity volumes), Capital Reporting via ORBIT

Decapitalisation of Expedite Charges

Title	Decapitalisation of Expedite Assets
Overview	This journal, impacting both the balance sheet and income statement, is an accounting adjustment to decapitalise expedites that have been recognised as asset in line with IFRS and BT's accounting policies.
Description	**1. Source Costs and MCE:** This journal impacts the NWB and NWR CoW. **2. Cost and MCE Categories:** Decapitalisation: Non-current assets (Copper), and Accumulated depreciation (Copper). In-year addition of costs: RoBT OPEX - excl. Depreciation (Other). **3. Summary Destination:** PDTEPD; PG150B; and outside of the RFS. **4. Methodology Taxonomy:** Asset Metrics **5. Driver classification:** Gross Book Value (GBV), Asset Useful Life, Depreciation. **6. Data Source Summary:** Balance Sheet opening and closing from pre-allocation report relating to the base PDTEPD (expedites) (consisting of NWB and NWR CoWs).
Data Source	Asset metrics: GBV (General ledger); and Other Misc: Total Opex (General ledger).

BDUK CCA adjustments

Calculation steps for the journal are included in: Annex nine: BDUK CCA adjustments.

Title	BDUK CCA Adjustments
Overview	This journal posts the BDUK associated Current Cost Accounting (CCA) adjustments (Gross Replacement Cost, Current Cost Accumulated Depreciation, Holding Gain/Loss, Supplementary Depreciation, and Other CCA Adjustment) split between Fibre to the Cabinet (FTTC) and Fibre to the Premises (FTTP) balances.
Description	**1. Source Costs and MCE:** This journal posts CCA adjustments for BDUK and adjustments are split between FTTC and FTTP. **2. Cost and MCE Categories:** Predominantly Copper and Duct: Non-current assets; Depreciation ; Holding Gains (Duct); Supplementary Depreciation (Duct); and Other CCA Adjustments (Duct) **3. Summary Destination:** This journal attributes to PG999A (FTTC Fibre Funded Fibre Rollout Spend) . A reversal is also made against GL Codes covering Openreach Non-current assets (predominantly Duct and Copper) and associated Depreciation costs. **4. Methodology Taxonomy:** Asset metrics. **5. Driver classification:** CCA Indexation Values. **6. Data Source Summary:** Openreach provide data on BDUK spend. Some items are tagged as either FTTC or FTTP. The above gives us HCA (Historical Cost Accounting) values, which is the basis upon which CCA is calculated. CCA values are calculated by applying indexation on the HCA value. Indices are sourced from the Office of National Statistics website.
Data Source	Asset metrics: Asset useful life (BT Intranet); CCA indexation value (Office of National Statistics); and Network data: Capex Spend (Orbit).

BDUK HCA adjustment with FTTC and FTTP split

Calculation steps for the journal are included in: Annex nine: BDUK HCA adjustment with FTTC and FTTP split.

Title	BDUK HCA Adjustments – Elimination of General Ledger (GL) balances and reposting with FTTC/FTTP split
Overview	This journal eliminates the BDUK balances (Gross Book Values, Accumulated Depreciation and Current Year Depreciation) in the General Ledger, and then reposts them split between Fibre to the Cabinet (FTTC) and Fibre to the Premises (FTTP) balances.
Description	**1. Source Costs and MCE:** This journal posts adjustments for BDUK CCA balances split between FTTC and FTTP. **2. Cost and MCE Categories:** Predominantly Non-current assets (Fibre, Duct) and Depreciation (Fibre, Duct) **3. Summary Destination:** This journal attributes to PG999A and PG990A. A reversal is also made against GL Codes covering Openreach Non-current assets (Fibre, Duct) and associated Depreciation costs. **4. Methodology Taxonomy:** Asset metrics. **5. Driver classification:** Asset Useful Life, Depreciation, CCA Indexation Values, Gross Book Value (GBV), and Gross Replacement Cost (GRC). **6. Data Source Summary:** Openreach provide data on BDUK spend. Some items are tagged as either FTTC or FTTP.
Data Source	Asset metrics: Asset useful life (BT Intranet); CCA indexation value (ONS); and Network data: Capex Spend (Orbit).

Dark fibre inter-exchange component allocation

Calculation steps for the journal are included in: Annex nine: Dark fibre inter-exchange component allocation.

Title	Dark fibre inter-exchange component allocation
Overview	This journal is an adjustment for reallocating cost and MCE and impacts the balance sheet only. It move costs from Openreach miscellaneous and Testing related costs to Dark Fibre Initial Testing Components.
Description	**1. Source Costs and MCE:** Moving costs from Openreach miscellaneous and Testing related costs to Dark Fibre Initial Testing Components. **2. Cost and MCE Categories:** Openreach Opex (Other) and Non-current assets (Other)
	3. Summary Destination: Dark Fibre Initial Testing services.
	4. Methodology Taxonomy: Allocation **5. Driver classification:** Ethernet Revenues & Volumes (including Price)
	6. Data Source Summary: Volume, price and revenue data for Dark Fibre Services. Estimated costs of initial testing labour hours per Ofcom modelling
Data Source	Openreach revenue, volumes and prices: ARC Other: Ofcom DFX cost model

Reallocation of Telereal liability carrying value for IFRS 16 adjustment

Calculation steps for the journal are included in: Annex nine: Reallocation of Telereal liability carrying value for IFRS16 adjustment.

Title	Reallocation of Telereal lease liability carrying value, for IFRS16 adjustment.
Overview	This journal is for the accounting adjustment to reverse the recognition of certain leases as Right-of-Use assets under IFRS 16. This impacts only the balance sheet. Following the adoption of IFRS 16, BT has started recognising certain arrangements, that were previously disclosed as operating lease commitments, as 'right-of-use (RoU) assets' within MCE in the statutory accounts from the year ended 31 March 2020. To avoid a significant increase in asset base which would have reduced comparability between the ROCE reported in the RFS and Ofcom's approach to setting prices, the IFRS16 treatment of the lease will be reversed from assets, current liabilities and non-current liabilities.
Description	**1. Source Costs and MCE:** This journal reverses out the IFRS16 treatment of the Telereal lease accounting across the assets, current liabilities, and non-current liabilities. **2. Cost and MCE Categories:** Non-current assets (Land and Buildings) and current liabilities.
	3. Summary Destination: ACCOMMBS and outside of the RFS.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver classification:** Gross Book Value (GBV).
	6. Data Source Summary: Details of the RoU assets that existed prior to IFRS16, and new lease assets subsequent to the implementation of IFRS16.
Data Source	Asset metrics: NBV (Horizon).

Reallocation of five year median cash position

Calculation steps for the journal are included in: Annex nine: Reallocation of five year median cash position.

Title	Reallocation of five year median cash position
Overview	This journal is an allocation adjustment for cash at bank and impacts the balance sheet. The median cash position over five years is recognised on AG113, with the offset in RoBT.
Description	**1. Source Costs and MCE:** The median cash position for the last 5 years is calculated, using the year end cash position from the annual report and accounts (ARA), and a journal is posted into the RFS.
	2. Cost and MCE Categories: Current assets (Cash at bank).
	3. Summary Destination: AG113.
	4. Methodology Taxonomy: Other.
	5. Driver classification: Cash.
	6. Data Source Summary: This journal is calculated using data on cash from the Annual Reports.
Data Source	Other Misc: Management Accounts (Annual Reports).

Repayment works journals

Calculation steps for the journals are included in: Annex nine: Repayment works journals.

Capital transfer to non-regulated services

Title	Repayment works - transfer to non-regulated services (capital)
Overview	This journal calculates and transfers the Repayment Works capitalised cost from the General Accounts (Fixed Asset and Accumulated Depreciation) in the General Ledger to the Repayment Works Accounts. It impacts the Balance Sheet. This impacts the Fixed Assets summary type, as well as sectors relating to cables, copper, and duct.
Description	**1. Source Costs and MCE:** This journal transfers the Openreach Repayment Works cost that have been capitalised. Ofcom's RFR statement (12 July 2019) directed BT to remove all costs that have been capitalised in relation to repayment alterations and repayment damages, since the creation of Openreach. These costs are no longer attributed to regulated services. The main role of the Repayment Works unit is to ensure the integrity and protection of BT's network, where the highway infrastructure is required to be altered due to promoting authority works under an act of parliament and protecting the network from damage as a result of third party works. The relevant CoWss (CoW) for repayment works capitalised costs are: LDC, LDD, CJC, CJF. **2. Cost and MCE Categories:** Non-current assets (Other).
	3. Summary Destination: PDTCJF, PDTLDC, PDTDUCT.
	4. Methodology Taxonomy: Asset Metrics **5. Driver classification:** Gross Book Value (GBV), Asset Useful Life, Depreciation
	6. Data Source Summary: Annual capitalised repayment works by CoW and GBV data from ORBIT
Data Source	Gross Book Value (Orbit).

Transfer of depreciation to non-regulated services

Title	Transfer of in year depreciation to non-regulated services
Overview	This journal calculates and transfers the Repayment Works current year depreciation expense from the General Depreciation Accounts in the General Ledger to the Repayment Works Accounts. It impacts the Profit & Loss. This impacts the Current Other summary type, as well as sectors relating to cables, copper, and duct.
Description	**1. Source Costs and MCE:** This journal captures the current year depreciation expense related to the Openreach Repayment Works cost that have been capitalised. Ofcom's RFR statement (12 July 2019) directed BT to remove all costs that have been capitalised in relation to repayment alterations and repayment damages, since the creation of Openreach. These costs are no longer attributed to regulated services. The main role of the Repayment Works unit is to ensure the integrity and protection of BT's network, where the highway infrastructure is required to be altered due to promoting authority works under an act of parliament and protecting the network from damage as a result of third party works. **2. Cost and MCE Categories:** Depreciation - Other
	3. Summary Destination: PDTCJF, PDTLDC, PDTDUCT.
	4. Methodology Taxonomy: Asset Metrics **5. Driver classification:** Gross Book Value (GBV), Asset Useful Life, Depreciation
	6. Data Source Summary: Annual capitalised repayment works by CoW and Gross Book Value data
Data Source	Gross Book Value (ORBIT)

Poles HCA Journal

Calculation steps for the journal are included in: Annex nine: Poles HCA Journal.

Title	Poles HCA Journal
Overview	This journal eliminates the Poles Net Book Value and Depreciation values from CoWs LDC, LFDC and NWR. It then reposts this to a POLES CoW.
Description	**1. Source Costs and MCE:** A reversal is made against general ledger codes covering Openreach Non-current assets (Fibre) and associated Depreciation costs, across CoWs LDC, LFDC and NWR. **2. Cost and MCE Categories:** Non-current assets (Poles); Depreciation (Poles).
	3. Summary Destination: PG200P.
	4. Methodology Taxonomy: Asset metrics. **5. Driver classification:** Net Book Value (NBV), Depreciation
	6. Data Source Summary: Openreach provide data on poles NBV and Depreciation within CoWs LDC, LFDC and NWR from the fixed asset register.
Data Source	Other

Openreach overhead journal

Calculation steps for the journal are included in: Annex nine: Openreach overhead journal.

Title	Openreach overhead journal
Overview	This journal moves specific Openreach Service Centre Pay costs from AG407 to relevant Overhead Bases (OV-OR).
Description	**1. Source Costs and MCE:** Service Centre pay costs **2. Cost and MCE Categories:** Openreach Pay Costs
	3. Summary Destination: Credit AG407; Debit OV-OR
	4. Methodology Taxonomy: Accounting Journal **5. Driver classification:** Other Misc
	6. Data Source Summary: General Ledger
Data Source	Openreach TB with Source GL, GL Codes mapping and CC hierarchies

Openreach Revenue (Internal to External transfer)

Calculation steps for the journal are included in: Annex nine: Openreach Revenue (Internal to External transfer).

Title	Openreach Revenue (Internal to External Transfer)
Overview	This journal is to transfer GL revenue from an internal product (P008, RoBT) to an external Openreach product (P470) to match the calculated revenue from the Revenue Methodologies within the RFS. It impacts Intra - External Income within Openreach. Total Openreach revenue is reconciled to the Annual Report, however RFS methodologies cause differences between the split of Internal/External Openreach revenue within the RFS which therefore require this journal.
Description	**1. Source Costs and MCE:** Openreach Revenue - the difference between the External Revenue per GLs and the External Revenue calculated within the RFS using the AMD Revenue Methodologies
	2. Cost and MCE Categories: N/A - Revenue journal
	3. Summary Destination: Openreach External Revenue; Openreach Internal Revenue
	4. Methodology Taxonomy: Revenue **5. Driver classification:** Revenue
	6. Data Source Summary: Openreach Revenue calculated via PVORREV and CostPerform Revenue reports.
Data Source	CostPerform, PreAllocation Report, RFS

SLG Revenue Allocation

Calculation steps for the journal are included in: Annex nine: SLG Revenue Allocation

Title	Service Level Guarantee Revenue Allocation
Overview	This journal is an allocation adjustment for costs relating to Service Level Guarantee payments, impacting the income statement. It relates to credit of PG613B and PG615B and the debit of the SLGALL base.
Description	**1. Source Costs and MCE:** Moves SLG costs (negative revenues) to the relevant regulated services and markets from the SLG PGs
	2. Cost and MCE Categories: Openreach OPEX (excl Depreciation) - SLG payments (Predominately General Support and General Management)
	3. Summary Destination: SLG Plant Groups for each of the main Openreach product areas - predominately WLA and Ethernet.
	4. Methodology Taxonomy: SLG **5. Driver classification:** SLG payments
	6. Data Source Summary: SLGs
Data Source	Core Ledger Revenue Feeds

5.2 Attribution bases

Bases using asset metrics methodologies

The following apportionment bases are categorised as Asset metrics methodologies. An explanation of asset metrics methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD.

Calculation steps for the bases are included in: Annex nine: Bases using asset metrics methodologies.

CUMNORM-W

Title	BT's Cumulo Rates Costs
Overview	CUMNORM apportions BT's Cumulo rates liability to Openreach and non-Openreach PGs. Cumulo is apportioned between the Openreach and non-Openreach PGs based on the MCE of the relevant rateable assets.
Description	**1. Source Costs and MCE:** This base apportions the costs related to BT Cumulo rates. The Cumulo rates are non-domestic rates (e.g. property tax) BT pays on rateable network assets in the UK. These include exchange buildings, poles, duct, manholes, cabinets, payphones, copper and fibre. Under rating principles these are assessed together, hence the term "Cumulo". Other parts of BT's property estate - e.g. offices and workshops - are assessed separately and do not form part of BT's Cumulo assessment. **2. Cost and MCE Categories:** Property Energy Costs (Cumulo). **3. Summary Destination:** This base apportions predominantly to PG943A and PG942A. **4. Methodology Taxonomy:** Asset Metrics. **5. Driver classification:** Mean Capital Employed (MCE) **6. Data Source Summary:** The total cumulo charge apportionment is based on MCE from rateable CoWs.
Data Sources	Asset Metrics: Mean Capital Employed (CostPerform), WACC; Revenue and Volumes: Openreach revenue & volumes; and Other Miscellaneous: Cumulo service tagging (CostPerform), Cumulo charged (CID).

PDTCOR21-Q

Title	Metro and Core Nodes - All Suppliers
Overview	PDTCOR21-Q apportions the historical cost and balance sheet for metro and core node equipment between PGs, based on a more detailed split of depreciation by network elements.
Description	**1. Source Costs and MCE:** This base apportions the 21 Century Network (21CN) CoW depreciation cost and balance sheet for Fujitsu and Huawei manufactured Multi Service Access Nodes (MSANs) equipment. **2. Cost and MCE Categories:** Predominantly Depreciation (Electronic) and Non-current assets (Electronic) . **3. Summary Destination:** This base predominantly apportions to RoBT and various other PGs. **4. Methodology Taxonomy:** Asset Metrics. **5. Driver classification:** Capex Spend. **6. Data Source Summary:** Capex from the 21CN associated CoW's which has been allocated out to Network Entities. This is then used to allocate the total deprecation cost for this base to each PG.
Data Sources	Asset Metrics: Capex spend (GVF); and Network data: Network topology mapping (GVF).

PDTDUCT-Q

Title	Duct
Overview	PDTDUCT-Q apportions all costs relating to the Duct asset. Those elements relating to network adjustments are separately identified, and the remainder is allocated to PG101D and PG102D.
Description	**1. Source Costs and MCE:** This base apportions costs relating to the duct asset. It covers all duct (core access and shared) within the BT network. **2. Cost and MCE Categories:** Predominantly Non-current assets (Duct), Depreciation (Duct), Holding Gains and Losses, and Supplementary Depreciation.
	3. Summary Destination: This base apportions predominantly to PG101D and PG102D, as well as PG300N and PG303N.
	4. Methodology Taxonomy: Asset Metrics **5. Driver classification:** Net Replacement Cost (NRC)
	6. Data Source Summary: This base allocates Duct Asset costs using data from network adjustment costs, local distribution ducts and gross replacement costs
Data Sources	Asset Metrics: Gross Replacement cost, Mean capital employed, Network adjustment costs and CCA indexation values.

PDTDUCT1-Q

Title	Duct BDUK Reversal
Overview	PDTDUCT1-Q apportions costs and MCE relating to the BDUK Duct asset.
Description	**1. Source Costs and MCE:** This base apportions costs and MCE relating to the BDUK duct asset. It covers all duct (core access and shared) within the BT network. **2. Cost and MCE Categories:** Predominantly Depreciation (Duct); Holding Gains and Losses; Supplementary depreciation; and Non-current assets (Duct).
	3. Summary Destination: This base apportions to PG101D and PG102D.
	4. Methodology Taxonomy: Asset Metrics **5. Driver classification:** Net Replacement Cost (NRC)
	6. Data Source Summary: This base allocates Duct Asset costs using data from the fixed asset register
Data Sources	Asset Metrics: Asset Metrics: Gross Replacement cost, Mean capital employed and CCA indexation values.

PDTEPD-B

Title	Expedites
Overview	PDTEPD-B apportions the derived Expedite provision costs from NWB and NWR CoWs to PGs. The GRC value for each CoW is used to determine the percentage allocation.
Description	**1. Source Costs and MCE:** This base apportions the depreciation costs from the derived Expedite Provision Costs and assets from NWB (Provision & Installation, Exchange lines (Business)) and NWR (Provision & Installation, Exchange lines (Residential)) CoWs to PGs. **2. Cost and MCE Categories:** Predominantly Depreciation (Copper) and Non-current assets (Copper).
	3. Summary Destination: This base apportions to PG149A.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver classification:** Gross Replacement Cost (GRC).
	6. Data Source Summary: The base allocates based on proportion of Gross Replacement Costs (GRC) Asset values, engineer task time, AVC hours and expedite volumes.
Data Sources	Asset metrics: Gross replacement cost (ARC, Fixed Asset Register), CCA Indexation values; Labour: Labour costs: labour hours & labour costs (Drag); Revenue & volumes: Openreach revenue & volumes; and Other miscellaneous: Wayleaves payment.

PDTGFA-Q

Title	Grant Funded Assets (GFA)
Overview	PDTGFA-Q apportions a credit of MCE relating to grant funded assets based on the proportion of the MCE that relates to duct and pole assets.
Description	**1. Source Costs and MCE:** This base apportions funding MCE relating to the CoW GFA for Openreach. **2. Cost and MCE Categories:** Non-current assets (Funded Assets) and Depreciation (Funded Assets).
	3. Summary Destination: This base apportions predominantly to PG998A, PG101D, PG102D and PG200P.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver classification:** Gross book value.
	6. Data Source Summary: Data relating to BDUK, network adjustments, COW and depreciation are used in the allocation of this base.
Data Sources	Asset Metrics: Gross book value (Network Instruction Management System (NIMS), Artisan (Pole volumes) and Analysis).

PDTLDC-Q

Title	Local Distribution Cable (LDC) Construction
Overview	PDTLDC-Q apportions the costs associated with D-Side Copper Cable
Description	**1. Source Costs and MCE:** This base apportions the costs associated with D-Side Copper Cable including depreciation, stores and pay costs. The Access Network for Regulatory Accounting purposes is split between E side and D-Side copper cable. E-Side cable links the local exchange to the primary cross connection point. D-Side cable links the primary cross connection point to the distribution point. **2. Cost and MCE Categories:** Predominantly Depreciation (Copper), Supplementary Depreciation and Non-current assets (Copper). **3. Summary Destination:** This base predominantly apportions to PG118C, PG300N and PG303N. **4. Methodology Taxonomy:** Direct **5. Driver classification:** Net Replacement Cost **6. Data Source Summary:** Uses duct Network Adjustments attributed to LDC
Data Sources	Asset Metrics: Gross Replacement cost, Mean capital employed, Network adjustment costs and CCA indexation values. PDTLDC MCE amounts from latest calculation run.

PDTLFDCB1-B1

Title	Local Line Optical Fibre Distribution Cable – FTTC
Overview	PDTLFDCB1-B1 apportions MCE (balance sheet) for grant funded FTTC distribution cables by identifying the amount relating to Poles, and allocating the remainder to the FTTC Funded Fibre Rollout Spend component.
Description	**1. Source Costs and MCE:** This base apportions MCE relating to the asset side of BDUK for Construction, Local Line Optical Fibre Distribution Cables (LFDC) that is FTTC. **2. Cost and MCE Categories:** Non-current assets (Fibre). **3. Summary Destination:** This base apportions to PG200P and PG999A. **4. Methodology Taxonomy:** Asset Metrics. **5. Driver classification:** Gross Book Value. **6. Data Source Summary:** GBV for BDUK CoWs, Poles Investment based on Gross Book Value and GBV split for FTTP & FTTC.
Data Sources	Asset Metrics: Gross Book Values (Network Instruction Management System (NIMS), Artisan (Pole volumes) and Analysis), Gross Book costs (Network Instruction Management System (NIMS), Artisan (Pole volumes) and Analysis), Depreciation (CostPerform), CCA Indexation values and Network adjustment costs.

PDTLFDCB6-B6

Title	Local Line Optical Fibre Distribution Cable - FTTP
Overview	PDTLFDCB6-B6 apportions costs (profit & loss) and MCE (balance sheet) for grant funded FTTP distribution cables by identifying the amount relating to Poles, and allocating the remainder to the FTTP Funded Fibre Rollout Spend component.
Description	**1. Source Costs and MCE:** This base apportions the costs and MCE relating to the asset side of BDUK for Construction, Local Line Optical Fibre Distribution Cable (LFDC) that is FTTP. **2. Cost and MCE Categories:** Non-current assets (Fibre).
	3. Summary Destination: This base apportions predominantly to PG990A and PG200P.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver classification:** Gross Book Value.
	6. Data Source Summary: GBV for BDUK CoWs, Poles Investment based on Gross Book Value and GBV split for FTTP & FTTC.
Data Sources	Asset Metrics: Gross Book Values (Network Instruction Management System (NIMS), Artisan (Pole volumes) and Analysis), Gross Book costs (Network Instruction Management System (NIMS), Artisan (Pole volumes) and Analysis), Depreciation (CostPerform), CCA Indexation values and Network adjustment costs.

PDTLFDCBS-Q

Title	Local Fibre Distribution Cable - Balance Sheet
Overview	This base apportions the balance sheet items associated with local fibre distribution cable (into PGs for FTTC, FTTP, Ethernet, Ethernet Cablelink, Network Adjustments Poles and Network Adjustments Duct), based on their proportion of the Total NBV. All NBV balances in this apportionment are calculated after excluding the BDUK balances.
Description	**1. Source Costs and MCE:** This base apportions the balance sheet items associated with local fibre distribution cable. **2. Cost and MCE Categories:** Non-current assets (Fibre).
	3. Summary Destination: This base apportions predominantly costs to PG949C PG959C, PG951C, and PG302N.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver classification:** Net Book Value.
	6. Data Source Summary: NBV (Fixed Asset Data for LFDC), Network Adjustment GBV (used to calculate Network Adjustments NBV) and Ethernet Cablelink NBV are used as drivers to allocate costs across the relevant Plant Groups for Distribution Fibre.
Data Sources	NBV (Fixed Asset Data for LFDC), Network Adjustment GBV (used to calculate Network Adjustments NBV), and Ethernet Cablelink NBV are used to as drivers to allocate costs across the relevant Plant Groups for Distribution Fibre.

PDTLFDC-Q

Title	Local Fibre Distribution Cable - P&L
Overview	This base apportions the P&L items (depreciation) associated with local fibre distribution cable (into PGs for FTTC, FTTP, Ethernet, Ethernet Cablelink, Poles, Network Adjustments Poles and Network Adjustments Duct), based on their proportion of the Total Depreciation. All depreciation balances in this apportionment are calculated after excluding the BDUK balances.
Description	**1. Source Costs and MCE:** This base apportions the depreciation associated with local fibre distribution cable. **2. Cost and MCE Categories:** Depreciation (Fibre).
	3. Summary Destination: This base apportions costs predominantly to PG959C, PG949C, PG951C, PG171A, PG300N and PG302N.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver classification:** Depreciation.
	6. Data Source Summary: Depreciation (Fixed Asset Data for LFDC), Network Adjustment GBV (used to calculate Network Adjustments Depreciation), Poles Costs and Ethernet Cablelink Costs are used to as drivers to allocate costs across the relevant Plant Groups for Distribution Fibre.
Data Sources	Depreciation (SAP), Network adjustment GBV data; and Ethernet Cablelink costs.

PDTLFSCB1-B1

Title	Local Line OF Spine Cable - FTTC
Overview	PDTLFSCB1-B1 apportions costs (profit & loss) and MCE (balance sheet) for grant funded FTTC spine cables by identifying the amount relating to Poles, and allocating the remainder to the FTTC Funded Fibre Rollout Spend component.
Description	**1. Source Costs and MCE:** This base apportions costs and MCE relating to the asset side of BDUK for Construction, Local Line of Spine Cable (LFSC) that is FTTC. **2. Cost and MCE Categories:** Non-current assets (Fibre).
	3. Summary Destination: This base apportions to PG999A.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver classification:** Gross Book Value.
	6. Data Source Summary: GBV for BDUK CoWs, Poles Investment based on GBV and GBV split for FTTP & FTTC.
Data Sources	Asset Metrics: Network adjustment costs, CCA indexation values and Gross book values (Network Instruction Management System (NIMS), Artisan (Pole volumes) and Analysis).

PDTLFSCB6-B6

Title	Local Line OF Spine Cable - FTTP
Overview	PDTLFSCB6-B6 apportions MCE (balance sheet) for grant funded FTTP spine cables by identifying the amount relating to Poles, and allocating the remainder to the FTTP Funded Fibre Rollout Spend component.
Description	**1. Source Costs and MCE:** This base apportions MCE relating to the asset side of BDUK for Construction, Local Line of Spine Cable (LFSC) that is FTTP. **2. Cost and MCE Categories:** Non-current assets (Fibre).
	3. Summary Destination: This base apportions to PG990A.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver classification:** Gross Book Value.
	6. Data Source Summary: GBV for BDUK CoWs, Poles Investment based on GBV and GBV split for FTTP & FTTC.
Data Sources	Asset Metrics: Network adjustment costs, CCA indexation values and Gross book values (Network Instruction Management System (NIMS), Artisan (Pole volumes) and Analysis).

PDTLMC-Q

Title	Exchange Side Cables
Overview	PDTLMC-Q apportions the depreciation and asset values for our exchange side copper cable assets based on depreciation calculations.
Description	**1. Source Costs and MCE:** This base apportions the depreciation and asset values for our exchange side copper cable assets (CoW LMC). **2. Cost and MCE Categories:** Predominantly Non-current assets (Copper), Depreciation (Copper) and Supplementary Depreciation.
	3. Summary Destination: This base apportions predominantly to PG117C and PG192A, as well as to PG130A and PG151B.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver classification:** Depreciation.
	6. Data Source Summary: Depreciation and asset value data is used for the calculation of this base.
Data Sources	Asset Metrics: Depreciation (Openreach LopList, Orbit), Mean Capital Employed, Gross Book value (FAR) and Capital spend (NIMS, CID).

PDTLMD-Q

Title	Local Main (Exchange Side) Duct
Overview	PDTLMD-Q apportions costs to PGs based on the depreciation estimate from detailed capital expenditure on NGA projects on the Internal Project Ledger, divided by the depreciation on CoW LMD (Local exchange side Duct for Copper) as a whole. Certain costs of duct are attributed to the copper cabinets representing the cost of joint box underneath the cabinet, the concrete plinth that the cabinet sits upon and the erection of the cabinet shell.
Description	**1. Source Costs and MCE:** This base apportions costs and balance sheet items associated with Local exchange side Duct for Copper. **2. Cost and MCE Categories:** Predominantly Depreciation (Duct); Supplementary Depreciation; and Non-current assets (Duct).
	3. Summary Destination: This base apportions predominantly to PG101D, PG102D and PG192A.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver classification:** Depreciation.
	6. Data Source Summary: Various asset metrics and network data has been used for the calculation of costs associated with Local Exchange Side Duct for Copper.
Data Sources	Asset Metrics: Capex Spend and Depreciation (SAP)

PDTLMDF-Q

Title	Main Distribution Frames in Local Exchanges
Overview	PDTLMDF-Q apportions the costs and balance sheet associated with MDFs in local exchanges. The apportionment of these costs are based on depreciation of MDF assets for both E-side copper cable and local loop unbundling frame usage.
Description	**1. Source Costs and MCE:** This base apportions the costs and MCE associated with main distribution frames in local exchanges. **2. Cost and MCE Categories:** Depreciation (Other Assets); and Non-current assets (Other Assets).
	3. Summary Destination: This base apportions predominantly to PG217E, as well as to PG130A.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver classification:** Depreciation.
	6. Data Source Summary: Data is sourced from the YTD Depreciation field from the Openreach LopList.
Data Sources	Asset Metrics: Depreciation (Openreach LopList)

PDTIPNCO-Q

Title	IP (Internet Protocol) Networks
Overview	This base apportions cost and MCE associated with equipment supporting IP networks based on Capex spend.
Description	**1. Source Costs and MCE:** This base apportions costs to equipment supporting IP networks. Costs booked to CoWs IPNC (Internet Protocol Network Capital) include provision, extension, rearrangement and recovery of IP networks by the Broadband and Data division in BT Enterprise. **2. Cost and MCE Categories:** Depreciation (Electronic) and Non-current assets (Electronic) **3. Summary Destination:** This base apportions predominantly to RoBT. **4. Methodology Taxonomy:** Asset Metrics. **5. Driver classification:** Capex Spend. **6. Data Source Summary:** IP data and Broadband capital spend is downloaded from the Internal Project Ledger (IPL) for the previous five years). Additionally Technology Loplist is used to provide asset life for key equipment. Capital Split for VOIP (Voice over internet Protocol) is obtained internally through CFU sign-off.
Data Sources	Asset Metrics: Asset Metrics - Capex Spend (SAP)

PDTPOLES-Q

Title	Poles Capex
Overview	This base apportions balances associated with poles capital expenditure between internal and external components based on infrastructure volumes.
Description	**1. Source Costs and MCE:** This base apportions the capital expenditure and associated depreciation charges relating to Poles, predominately received from the POLES CoW, via the Poles HCA journal. **2. Cost and MCE Categories:** Predominantly Depreciation (Poles), Supplementary Depreciation, and Non-current assets (Poles). **3. Summary Destination:** This base apportions predominantly to PG200P, as well as to PG301N and PG302N. **4. Methodology Taxonomy:** Asset Metrics. **5. Driver classification:** Net Replacement Cost **6. Data Source Summary:** Network adjustments and pole investments data is used to determine the apportionment of this base.
Data Sources	Asset metrics: Network adjustment costs, CCA Indexation values, Gross book value (NIMS, Artisan), Gross replacement cost (NIMS, Artisan), PIA component volumes and Depreciation. Openreach provide data on poles NBV and Depreciation within CoWs LDC, LFDC and NWR.

PDTWDM21-Q

Title	Wavelength Division Multiplexor transmission equipment used in 21CN.
Overview	PDTWDM21-Q apportions costs and balance sheet for the transmission equipment of the WDMSAN chains, based on a detailed split of depreciation by network element.
Description	**1. Source Costs and MCE:** This base apportions cost and balance sheet for the transmission equipment of the WDMSAN chains, the METRO – CORE and CORE – CORE transmission electronic equipment. **2. Cost and MCE Categories:** Non-current assets (Electronic) and Depreciation (Electronic).
	3. Summary Destination: This base predominantly apportions to PG886A, PG899A and PG866A.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver classification:** Capex Spend.
	6. Data Source Summary: This base allocates the total deprecation cost to each PG using Capex from the 21CN associated CoWs which has been allocated out to Network Entities and network topology data.
Data Sources	Asset metrics: Capex spend (GVF); and Network data: Network Topology mapping (GVF).

ORSOFT-B

Title	OR Software Allocation
Overview	ORSOFT-B apportions software capitalisation and operational costs based on the Openreach software entries on the fixed asset register, with each line mapped to a relevant product range or Plant Group. Where an entry cannot be mapped, it is allocated to AG410.
Description	**1. Source Costs and MCE:** Software capital and depreciation costs and Balance Sheet (Fixed Asset Accumulated Depreciation) relating to Openreach. **2. Cost and MCE Categories:** Depreciation (Software) and Non-Current assets (Software).
	3. Summary Destination: This base predominantly apportions to AG410 and PG198A.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver classification:** Depreciation.
	6. Data Source Summary: This base is allocated using the fixed asset register, PIA costs and headcount data.
Data Sources	Asset Metrics: Depreciation (Fixed asset register), PIA components; and Labour: FTE headcount.

TSOSOFTDEP-T

Title	Software Depreciation
Overview	TSOSOFTDEP-T apportions Technology software costs and MCE based on detailed project information from the fixed asset register. Non-specific entries are allocated is to AG102 for core network infrastructure or AG119 for Technology support functions.
Description	**1. Source Costs and MCE:** The SOFTDEP base apportions software depreciation costs and MCE **2. Cost and MCE Categories:** Non-current assets (Software) and Depreciation (Software).
	3. Summary Destination: This base predominantly apportions to RoBT, AG119 and AG102.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver classification:** Depreciation.
	6. Data Source Summary: Fixed asset register data mapped to Technology Programme Horizontals is used to allocate this base.
Data Sources	Asset Metrics: Depreciation (Fixed asset register).

Bases using direct methodologies

The following allocation bases are categorised as Direct methodologies. An explanation of direct methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD.

No calculation steps for the base as this a Direct Allocation methodology.

PDTEPD-Q

Title	Expedites
Overview	PDTTEP base apportions the Expedite Provision Costs from NWB (Provision & Installation, Exchange lines (Business)) and NWR (Provision & Installation, Exchange lines (Residential)) CoWs.
Description	**1. Source Costs and MCE:** This base apportions the depreciation costs and accumulated depreciation MCE from the derived Expedite Provision Costs from NWB (Provision & Installation, Exchange lines (Business)) and NWR (Provision & Installation, Exchange lines (Residential)) CoW to PGs. **2. Cost and MCE Categories:** Predominantly Supplementary Depreciation and Non-current assets (Copper).
	3. Summary Destination: This base apportions to PG149A.
	4. Methodology Taxonomy: Direct **5. Driver classification:** Direct
	6. Data Source Summary: 100% allocation, no data source.

Bases using electricity methodologies

The following apportionment bases are categorised as Electricity methodologies. An explanation of Electricity methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD.

Calculation steps for the bases are included in: Annex nine: Bases using electricity methodologies

ELECT1-Q

Title	BT Electricity costs
Overview	ELECT1-Q apportions BT electricity costs to various PGs, AGs and residual markets based on BT technology network equipment volumes, their respective power consumption and the electricity unit rate.
Description	**1. Source Costs and MCE:** This base apportions BT electricity costs. **2. Cost and MCE Categories:** Property Energy Costs
	3. Summary Destination: This base predominantly apportions to PG192A, PG120B, PG952C, PG217E, AG407, AG401, AG402 and RoBT. This base also apportions to a number of other PGs, AGs and RoBT across the following categories: Office Buildings, Specialised Buildings, Data Centres, LLU, NGA/FTTC, BT Cables, BT Sports Production Hub, Third party, Motor Transport Workshops.
	4. Methodology Taxonomy: Electricity **5. Driver classification:** Electricity Cost
	6. Data Source Summary: Electricity costs (% splits for PGs/AGs/products across the network) are calculated using a combination of electricity prices & rates, office space and specialised space information and numerous source systems (see below).
Data Sources	Electricity: Electricity Costs (ETD), Electricity usage (ETD); Labour: FTE headcount; and Property & Insurance; Property space (Horizon).

PANDAL-Q

Title	Power and Accommodation (Back-Up Power and Specialised Accommodation Equipment)
Overview	PANDAL-Q apportions maintenance and non-maintenance costs relating to BT's Network Operation Buildings including power, heating, ventilation, air conditioning, general environmental control and associated depreciation and other balance sheet items, based on BT technology network equipment volumes, their respective power consumption and the electricity unit rate.
Description	**1. Source Costs and MCE:** This base apportions the costs and balance sheet items associated with systems providing heating, ventilation, air conditioning and general environment control in BT's Network Operational Buildings (i.e. non-office buildings such as property occupied by local exchanges), including equipment and costs for maintenance. **2. Cost and MCE Categories:** Non-current assets (Other Assets), and Depreciation (Other Assets).
	3. Summary Destination: This base predominantly apportions to RoBT, PG952C, PG136N as well as a number of other PGs, including unregulated areas.
	4. Methodology Taxonomy: Electricity. **5. Driver classification:** Electricity Usage.
	6. Data Source Summary: Power consumption across the network is calculated using equipment volumes and standard consumption rates from various sources, to apply to each different part of the BT Technology network.
Data Sources	Electricity Usage (EXPRES, PACS/INS/ISIS Documents, Peacemaker, NISM, LLUMS, PIRM (CISL), MARVIN, UK Hosted ICM Platform), Electricity Cost (Energy Telemetry Database), Depreciation (LoPlist FAR Data) and Bearer volumes (CTCS).

PDTPANDA-Q

Title	Power and Accommodation (Back-Up Power and Specialised Accommodation Equipment)
Overview	PDTPANDA-Q apportions maintenance and non-maintenance costs relating to BT's Network Operation Buildings including power, heating, ventilation, air conditioning, general environmental control and associated depreciation and other balance sheet items, based on BT technology network equipment volumes, their respective power consumption and the electricity unit rate.
Description	**1. Source Costs and MCE:** This base apportions the costs and balance sheet items associated with systems providing heating, ventilation, air conditioning and general environment control in BT's Network Operational Buildings (i.e. non-office buildings such as property occupied by local exchanges), including equipment and costs for maintenance. **2. Cost and MCE Categories:** Predominantly Depreciation (Other Assets) and Non-current assets (Other Assets).
	3. Summary Destination: The base predominantly apportions to RoBT, PG952C and PG132N, as well as to a number of other PGs.
	4. Methodology Taxonomy: Electricity. **5. Driver classification:** Electricity Usage.
	6. Data Source Summary: Power consumption across the network is calculated using equipment volumes and standard consumption rates from various sources, to apply to each different part of the BT Technology network.
Data Sources	Electricity Usage (EXPRES, PACS/INS/ISIS Documents, Peacemaker, NISM, LLUMS, PIRM (CISL), MARVIN, UK Hosted ICM Platform), Electricity Cost (Energy Telemetry Database) and Depreciation (LoPlist FAR Data).

Bases using labour methodologies

The following apportionment bases are categorised as Labour methodologies. An explanation of labour methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD.

Calculation steps for the bases are included in: Annex nine: Bases using labour methodologies

PDTFTTCR-Q

Title	FTTC Reactive Repair
Overview	PDTFTTCR-Q apportions repair costs for FTTC Reactive Repair to three different PGs. Apportionment is based on the costs recorded for different SFI, SFVA, AVC and TRC activities which is calculated using hours worked and labour rates.
Description	**1. Source Costs and MCE:** This base apportions FTTC Reactive Repair costs. **2. Cost and MCE Categories:** Predominantly Other Operating Costs.
	3. Summary Destination: This base apportions to PG955M, PG150B and PG981R.
	4. Methodology Taxonomy: Labour **5. Driver classification:** Labour hours & Labour Rates
	6. Data Source Summary: This base is apportioned using network data and labour hours/labour costs.
Data Sources	Network data: bearer volumes (CTCS); and Labour: labour hours & labour rates (ORBIT, NJR, Python), labour costs (SAP).

PDTFTTPR-Q

Title	FTTP Reactive Repair
Overview	PDTFTTPR-Q apportions repair costs for FTTP Reactive Repair to a number of different PGs. Apportionments are based on the costs recorded for different activities, which has to be calculated using hours worked and labour rates for some activities.
Description	**1. Source Costs and MCE:** This base apportions FTTP Reactive Repair costs. **2. Cost and MCE Categories:** Predominantly Other Operating Costs.
	3. Summary Destination: This base predominantly apportions to PG956M and PG150B.
	4. Methodology Taxonomy: Labour **5. Driver classification:** Labour hours & Labour Rates
	6. Data Source Summary: This base is apportioned using network data and labour hours/labour costs.
Data Sources	Network data: bearer volumes (CTCS); and Labour: labour hours & labour rates (ORBIT, NJR, Python), labour costs (SAP).

PDTUDL-Q

Title	Distribution Side Copper Repair
Overview	PDTUDL-Q apportions repair costs for Distribution Side Copper drop wires to a number of different PGs. Apportionments are based on the costs recorded for different activities, which has to be calculated using hours worked and labour rates for some activities.
Description	**1. Source Costs and MCE:** This base apportions repair costs for drop wires. **2. Cost and MCE Categories:** Net Indirect Labour Costs, Network Operating IT Costs, Other Operating Costs.
	3. Summary Destination: This base predominantly apportions to PG118M, as well as a number of other PGs including PG154B, PG981R and PG252B
	4. Methodology Taxonomy: Labour **5. Driver classification:** Labour hours & Labour Rates
	6. Data Source Summary: Apportionment is calculated using labour hours, pay rates and Openreach service volumes.
Data Sources	Labour: Labour cost (SAP) and Labour hours & labour rates (Orbit, NJR, Python); and Revenue & Volumes: Openreach revenue & volumes.

PDTUEL-Q

Title	Exchange Side Copper Repair
Overview	PDTUEL-Q apportions repair costs for Exchange Side Copper drop wires to a number of different PGs. Apportionment is based on the costs recorded for different SFI, SFVA, AVC and TRC activities which is calculated using hours worked and labour rates.
Description	**1. Source Costs and MCE:** This base apportions repair costs for drop wires. **2. Cost and MCE Categories:** Net Indirect Labour Costs, Network Operating IT Costs and Other Operating Costs.
	3. Summary Destination: This base predominantly apportions to PG154B , as well as a number of other PGs including PG117M and PG989A.
	4. Methodology Taxonomy: Labour **5. Driver classification:** Labour hours & Labour Rates
	6. Data Source Summary: This base is apportioned using network data and labour hours/labour costs.
Data Sources	Network data: bearer volumes (CTCS); and Labour: labour hours & labour rates (ORBIT, NJR, Python), labour costs (SAP).

PDTMISC-Q

Title	Miscellaneous Work
Overview	PDTMISC-Q apportions miscellaneous work which has been carried out but cannot be allocated to another specific CoW to a number of different PGs. Apportionments are based on the costs recorded for different activities, which has to be calculated using hours worked and labour rates for some activities.
Description	**1. Source Costs and MCE:** This base apportions miscellaneous work which has been carried out but cannot be allocated to another specific CoW. **2. Cost and MCE Categories:** Predominantly Network Operating IT Costs and Other Operating Costs.
	3. Summary Destination: This base predominantly apportions to AG407, PG981R and PG150B.
	4. Methodology Taxonomy: Labour **5. Driver classification:** Labour hours & Labour Rates
	6. Data Source Summary: This base is apportioned using network data and labour hours/labour costs.
Data Sources	Network data: bearer volumes (CTCS); and Labour: labour hours & labour rates (ORBIT, NJR, Python), labour costs (SAP).

Bases using network data methodologies

The following apportionment bases are categorised as Network data methodologies. An explanation of network data methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD.

Calculation steps for the bases are included in: Annex nine: Bases using network data methodologies.

PDTCJF-Q

Title	Backhaul and Core Fibre Cables
Overview	PDTCJF-Q allocates depreciation and asset values of core and backhaul fibre between core and backhaul PGs based on the length of core and backhaul fibre cables.
PG350N m	**1. Source Costs and MCE:** This base attributes the depreciation and asset values of our core and backhaul fibre cables. **2. Cost and MCE Categories:** Predominantly Non-current assets (Fibre), Depreciation (Fibre), and Other Operating Costs.
	3. Summary Destination: This base predominantly apportions to PG170B.
	4. Methodology Taxonomy: Network Data **5. Driver classification:** Fibre Lengths (CTCS/LLUMS)
	6. Data Source Summary: Network data for fibre lengths (km) for backhaul fibre and core fibre are used in the apportionment of this base.
Data Sources	Network data: Fibre lengths (CTCS); and Revenue & volumes: Ethernet revenue & volumes (ORBIT).

PDTLFSC-Q

Reference	**PDTLFSC-Q**
Title	Local Fibre Spine Cable
Overview	This base apportions the costs and balance sheet items associated with local fibre spine cable (into PGs for FTTC, FTTP, Ethernet and Network Adjustments), based on fibre volumes. Data showing fibre connection volumes within the UK from INS is mapped to different geographies by Openreach Specialists. These are then mapped into specific geographic markets as necessary. All fibre volumes in this apportionment are calculated after excluding BDUK.
Description	**1. Source Costs and MCE:** This base apportions the costs and balance sheet items associated with local fibre spine cable. **2. Cost and MCE Categories:** Depreciation (Fibre) and Non-current assets (Fibre).
	3. Summary Destination: This base predominantly apportions to PG948C and PG111C, as well as to PG950C and PG300N.
	4. Methodology Taxonomy: Network Data **5. Driver classification:** Cable Lengths (INS)
	6. Data Source Summary: Fibre Connections from INS and network adjustments are used as a driver to allocate costs across the relevant PGs for Spine Fibre.
Data Sources	Cable Lengths (INS), GBV (BDUK Ledger), Network Adjustments GBV

Bases using other miscellaneous methodologies

The following apportionment bases are categorised as Other miscellaneous methodologies. An explanation of other miscellaneous methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD.

Calculation steps for the bases are included in: Annex nine: Bases using other miscellaneous methodologies.

COMPE-T

Title	BT's Own Use Personal Computers
Overview	The methodology apportions costs of BT own use personal computers to CFUs/CUs based on the number of personal computers by CFU/CU.
Description	**1. Source costs and MCE:** This base apportions costs and MCE of BT's own use personal computers to CFUs/CUs based on the number of personal computers by CFU/CU. **2. Cost and MCE categories:** Predominantly Depreciation (Other Assets) and Non-current assets (Other Assets). **3. Summary Destination:** This base predominantly apportions to RoBT and AG401, as well as to AG118 and AG402. **4. Methodology Taxonomy:** Other Misc. **5. Driver Classification:** BT PC & Laptop Volumes. **6. Data Source Summary:** Volumes of computers are aggregated within Ecensus/Bridge by CFU. This information is then used to produce percentage allocation for the bases to AGs/products.
Data Sources	Other Misc: BT PC & Laptop volumes (Ecensus, Bridge).

PDTCPDSL-B

Title	Circuit Provision - Asymmetric Digital Subscriber line
Overview	PDTCPDSL-B apportions GEA (Generic Ethernet Access) customer site provisioning costs recorded within the CPDSL CoW to GEA provisioning PGs based on an annual study of in-year store costs.
Description	**1. Source Costs and MCE:** This base apportions GEA customer site provisioning costs recorded within the CPDSL CoW to GEA provisioning Plant Groups. **2. Cost and MCE Categories:** Predominantly Product Costs. **3. Summary Destination:** This base apportions to PG957P and PG958P. **4. Methodology Taxonomy:** Other Misc. **5. Driver classification:** CPDSL CoW costs. **6. Data Source Summary:** Other miscellaneous CPDSL CoW Costs are used to calculate the GEA Electronics base.
Data Sources	Other Miscellaneous: CPDSL CoW costs.

PDTEMP-Q

Title	Ethernet Monitoring Platform
Overview	PDTEMP-Q apportions an internal trade between Ethernet Monitoring Platform and RoBT, using the split of the internal trade between costs and margin, based upon a management assessment from the Business Services team.
Description	**1. Source Costs and MCE:** This base apportions underlying non pay - general management costs of an internal trade between PG449A and RoBT Residual. **2. Cost and MCE Categories:** Other Operating Costs
	3. Summary Destination: This base apportions costs to PG449A.
	4. Methodology Taxonomy: Other Misc. **5. Driver classification:** Internal Profit Margin.
	6. Data Source Summary: The Xian recharge to Openreach and the total costs booked to Business Services in the Pre-Allocation Report are used to apportion this base.
Data Sources	Other Miscellaneous: General ledger and Pre-allocation report.

PDTWYL-B

Title	Wayleaves
Overview	PDTWYL-B apportions costs associated with Wayleaves based upon the proportional split between duct and poles of a random selection of sample Wayleaves invoices within the year.
Description	**1. Source Costs and MCE:** This base contains costs associated with wayleaves and apportions it between two Plant Groups, PG101D and PG200P. **2. Cost and MCE Categories:** Other Operating Costs.
	3. Summary Destination: This base predominantly apportions to PG101D and PG102D, as well as to PG200P.
	4. Methodology Taxonomy: Other Misc. **5. Driver classification:** Wayleaves Payments
	6. Data Source Summary: This base is allocated using the split of Poles & Duct Wayleaves payments made to grantors.
Data Sources	Other Miscellaneous: Wayleaves payments: Revenue & volumes: Openreach revenue & volumes; and Labour: labour hours & labour rates, Labour costs.

Bases using property and insurance methodologies

The following apportionment bases are categorised as property and insurance methodologies. An explanation of property and insurance methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD.

Calculation steps for the bases are included in: Annex nine: Bases using property and insurance methodologies.

ACCOMM1-Q

Title	Accommodation
Overview	ACCOMM1-Q apportions P&L accommodation costs for both BT owned and non-BT owned buildings between the four Group Property Activity Groups - BT owned, Specialised Buildings; Non-BT owned, Specialised Buildings; BT owned, Office Buildings and Non-BT owned, Office Buildings. The allocation is based on detailed building reports.
Description	**1. Source Costs and MCE:** This base apportions the costs of BT owned and non-BT owned office and specialised buildings. **2. Cost and MCE Categories:** Predominantly Depreciation (RoU) and Property Energy Costs **3. Summary Destination:** This base apportions accommodation costs to the 4 property related AGs: AG170, AG171, AG172 and AG173. **4. Methodology Taxonomy:** Property & Insurance. **5. Driver classification:** Property Costs (ex. Electricity). **6. Data Source Summary:** Building space report for all UK buildings is used to allocate this base.
Data Sources	Property & Insurance: Property Costs (HORIZON) and Property space (HORIZON, CostPerform).

ACCOMMBS-Q

Title	Accommodation
Overview	ACCOMMBS-Q apportions accommodation MCE for both BT owned and non-BT owned buildings between the four Group Property Activity Groups - BT owned, Specialised Buildings; Non-BT owned, Specialised Buildings; BT owned, Office Buildings and Non-BT owned, Office Buildings. The allocation is based on detailed building reports.
Description	**1. Source Costs and MCE:** This base allocates the MCE of BT and non-BT owned office and specialised buildings. Fixed asset NBV is used to apportion the MCE. **2. Cost and MCE Categories:** Predominantly Non-current assets (RoU, Land and Buildings and Other Assets) and Current Liabilities. **3. Summary Destination:** This base apportions accommodation costs to the 4 property related AGs: AG170, AG171, AG172 and AG173. **4. Methodology Taxonomy:** Property & Insurance **5. Driver classification:** Property Space **6. Data Source Summary:** Property Space, Fixed Assets Register
Data Sources	Property Costs (HORIZON and Group Property finance data), Property Space (Fixed Asset Register)

INSURE-Q

Title	Insurance Premiums
Overview	This base apportions insurance premium costs to various AGs depending on the nature of each insurance premium.
Description	**1. Source costs and MCE:** This base apportions insurance premium costs that are associated to specific insurance types, for example, general liability and health insurance. **2. Cost and MCE categories:** Other Operating Costs.
	3. Summary Destination: This base predominantly apportions to AG401 and RoBT, as well as to a number of other AGs including AG402 and AG410.
	4. Methodology Taxonomy: Property & Insurance. **5. Driver classification:** Insurance Premium Costs.
	6. Data Source Summary: Insurance premium costs by type and CFU.
Data Sources	Property & Insurance: Insurance premium costs.

Bases using revenue and volumes methodologies

The following apportionment bases are categorised as property and insurance methodologies. An explanation of property and insurance methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD.

Calculation steps for the bases are included in: Annex nine: Bases using revenue and volumes methodologies.

LICENCEFEE-Q

Title	Ofcom Licence Fee
Overview	This base apportions the cost of the Ofcom Licence Fee based on relevant revenue.
Description	**1. Source costs and MCE:** This base apportions the cost of our telecommunications licence fee, known as Ofcom Licence Fee. This is effectively a licence to operate and trade within the UK. **2. Cost and MCE categories:** Other Operating Costs.
	3. Summary Destination: This base apportions to RoBT and PG800A.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Total Revenue by Line-of-Business.
	6. Data Source Summary: The base allocation is determined by an Ofcom submission detailing the revenue breakdown by line of business.
Data Sources	Revenue & volumes: total revenue by line-of-business.

Bases using service level guarantee methodologies

The following apportionment bases are categorised as SLG methodologies. An explanation of SLG methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD.

Calculation steps for the bases are included in: Annex nine: Bases using service level guarantee methodologies.

SLGALL-Q

Title	Service level guarantees
Overview	SLGALL-Q apportions revenue and costs associated with SLG compensation payments based on Openreach operational SLG data and revenue data.
Description	**1. Source costs and MCE:** This base apportions revenue and costs associated with SLG compensation payments for provision and repair failures associated Openreach Services. The SLG scheme pays compensation to customers if Openreach fails to meet agreed timescales for Provision or Repair activities. **2. Cost and MCE Categories:** Other Operating Costs
	3. Summary Destination: This base predominantly apportions to PG591B and PG590B, as well as to a number of other PGs.
	4. Methodology Taxonomy: SLGs **5. Driver classification:** SLG Payments
	6. Data Source Summary: This base is calculated using SLG related revenues and costs.
Data Sources	SLGs: SLG Payments (SLAM, DLOA, AM Report); and Revenue & volumes: Openreach revenue & volumes.

5.3 Organisational Driven Bases

Calculation steps for the organisational driven bases are included in: Annex nine: 5.3 Organisational Driven Bases

Consumer

All Consumer costs, assets and liabilities allocating via an organisational driven base are attributed to RoBT via a RT1 allocation.

Openreach

OV-CE

Title	Openreach Chief Engineers
Overview	This base apportions the costs and MCE related to Openreach Chief Engineers Office team based on the FTE headcount numbers for each PG within the team.
Description	**1. Source Costs and MCE:** This base apportions costs, assets and current liabilities relating to the Openreach Chief Engineers.
	2. Cost and MCE Categories: This mainly consists of Openreach Opex (Central Functions); Non-current assets; and Current Liabilities.
	3. Summary Destination: This base apportions to a number of PGs, including PG574B, as well as to a number of other PGs.
	4. Methodology Taxonomy: Labour.
	5. Driver classification: FTE Headcount.
	6. Data Source Summary: FTE activity surveyed across OR areas
Data Sources	Labour: FTE Headcounts (Orbit).

OV-OR

Title	Complex Engineering
Overview	These bases apportion the costs and MCE related to Customer Service Management, Copper Capital Programme Delivery, Engineering Services and Operational Planning & Field Dynamics teams based on the FTE headcount numbers for each PG within the teams.
Description	**1. Source Costs and MCE:** These bases apportion pay costs related to network support and general management.
	2. Cost and MCE Categories: Predominantly Wages and Salaries.
	3. Summary Destination: This base apportions predominantly to PG574B, PG579B and PG252B.
	4. Methodology Taxonomy: Labour.
	5. Driver classification: FTE Headcount.
	6. Data Source Summary: FTE activity surveyed across OR teams
Data Sources	Labour: FTE Headcounts (Orbit).

Technology Units

Technology costs that are not attributed using direct (rule type 1) or modelled (rule type 3) apportionments are assigned using CFU-driven bases that either use:

- Fixed base (100% allocation to one Activity Group or Product)
- Apportioned by other CFU driven base entries, or by specific rule type 1 or 3 allocations

The following Network and Digital bases are driven by specific methodologies.

OV-DIG

Title	Digital Overheads
Overview	This base apportions Digital Central costs based on the cost categories in the management accounts.
Description	**1. Source Costs and MCE:** This base primarily apportions general management, computing and consultancy costs, and current liabilities related to Digital Central Functions.
	2. Cost and MCE Categories: Predominantly Current Liabilities, Wages and Salaries, Own Work Capitalised and Net Operating IT Costs.
	3. Summary Destination: This base apportions to RoBT, AG118 and AG410.
	4. Methodology Taxonomy: Other Misc. - Management Accounts (SAP).
	5. Driver classification: Management Accounts (SAP).
	6. Data Source Summary: Technology costs, Engineering and Infrastructure Build Plan (EIPB) report, FTE Report.
Data Sources	Asset Metrics: General ledger: RoBT Opex: PMMIS.

OV-NET

Title	Network Overheads
Description	**1. Source Costs and MCE:** This base primarily apportions general management and support costs e.g. for search and security, and current liabilities related to Network Central Functions.
	2. Cost and MCE Categories: Predominantly Current Liabilities, Wages and Salaries, Own Work Capitalised and Network Operating IT Costs.
	3. Summary Destination: This base predominantly apportions to RoBT, AG119 and AG410.
	4. Methodology Taxonomy: Other Misc. - Management Accounts (SAP).
	5. Driver classification: Management Accounts (SAP).
	6. Data Source Summary: Technology costs, Engineering Infrastructure Build Plan (EIPB) report and FTE Report
Data Sources	Asset Metrics: : General ledger: RoBT Opex: PMMIS

Group Functions

BT Group costs are made up of a number of central functions that provide various services for BT as a whole.

OV-GBS

Title	Group Billing
Overview	These bases apportion the costs related to Group Billing & Revenue Assurance team to the service-specific PGs based on the revenue numbers weighted by the CFU/CU splits using the BT Billing internal trades (recharges).
Description	**1. Source Costs and MCE:** These bases apportion the costs associated to the Group Billing & Revenue Assurance team. **2. Cost and MCE Categories:** Predominantly Current Liabilities, Wages and Salaries, Other Operating Costs and Net Indirect Labour Costs.
	3. Summary Destination: RoBT and OR Service Centre Provision PGs, including PG572B.
	4. Methodology Taxonomy: Other Misc. **5. Driver classification:** Other
	6. Data Source Summary: Group Billing and Revenue Assurance CFU recharge data, Openreach and Wholesale external revenue split across markets, and several generic assumptions.
Data Sources	Other Misc: (CostPerform, Arc).

OV-GHQ

Title	Business HR
Description	**1. Source Costs and MCE:** This base apportions HR related costs. **2. Cost and MCE Categories:** Predominantly Wages and Salaries.
	3. Summary Destination: This base allocates to AG116.
	4. Methodology Taxonomy: Direct. **5. Driver classification:** Direct.
	6. Data Source Summary: 100% allocation - no data source.

Supply Chain

OV-SPLY

Title	Supplies Management
Overview	This base apportions the costs and MCE related to BT supplies management team, based on the proportion of supply chain recharges (i.e. work completed) for each CFU/CU.
Description	**1. Source Costs and MCE:** This base apportions out costs and MCE related to BTs supplies management, based on the proportion of work completed for each CFU and CU. **2. Cost and MCE Categories:** Predominantly Current Liabilities and Other Operating Costs.
	3. Summary Destination: The base predominantly apportions to RoBT and AG410.
	4. Methodology Taxonomy: Other Misc. **5. Driver classification:** Supply chain recharges.
	6. Data Source Summary: Supply chain recharge data by CFU is used to allocate charges to products and AGs.
Data Sources	Other Misc: Supply Chain Recharges.

Business

All Business Services costs, assets and liabilities are allocated to RoBT by RT1.

5.4 Activity Groups

An explanation of the Activity Group (AG) methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD, and are summarised in Section 4.4 'Activity Group layer overview'.

Activity Groups using property and insurance methodologies

An explanation of the Activity Group (AG) using property and insurance methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD, and Activity Groups are summarised in Section 4.4 'Activity Group layer overview'.

Calculation steps for the bases are included in: Annex nine: Activity Groups using property and insurance methodologies.

AG170

Title	Specialised Accommodation BT Owned
Overview	AG170 calculates BT-owned specialised accommodation costs and MCE per CFU based on accommodation transfer charges and the fixed assets report. These costs and MCE are then apportioned to other AGs and PGs following specific treatments for each CFU, predominantly based on building space information.
Description	**1. Source Costs and MCE:** This AG apportions BT Group Property depreciation, other operating costs and asset values for the Specialised estate which is BT owned. It is a base produced from an apportionment model. **2. Cost and MCE Categories:** Predominantly Depreciation (RoU); Property Energy Costs; Current Liabilities and Non-current assets (RoU, Land and Buildings, and Other Assets) **3. Summary Destination:** This AG apportions to a large number of PGs and AGs, based on CFU. The most significant apportionments include RoBT, PG952C, AG118, and PG217E. **4. Methodology Taxonomy:** Property & Insurance. **5. Driver classification:** Property Costs (exc. Electricity). **6. Data Source Summary:** A Building List report, which shows the accommodation transfer charges by building, the building type, CFU and whether BT owned or Telereal. The depreciation and MCE are from a Building Fixed Assets Report which shows the fixed asset data by building.
Data Sources	Asset metrics: Depreciation (SAP); and Property & Insurance: Property Space (HORIZON).

AG171

Title	Specialised Accommodation Rented (Telereal)
Overview	AG171 calculates Telereal specialised accommodation costs and MCE per CFU based on accommodation transfer charges and the fixed assets report. These costs and MCE are then apportioned to other AGs and PGs following specific treatments for each CFU, predominantly based on building space information.
Description	**1. Source Costs and MCE:** This AG apportions BT Group Property depreciation, other operating costs and asset values for the Specialised estate which are rented from Telereal. It is a base produced from an apportionment model. **2. Cost and MCE Categories:** Predominantly Depreciation (RoU); Property Energy Costs; Non-current assets (RoU, Land and Buildings and Other Assets), and Current Liabilities. **3. Summary Destination:** This AG apportions to a large number of PGs and AGs, based on CFU. The most significant apportionments include RoBT and PG952C. **4. Methodology Taxonomy:** Property & Insurance. **5. Driver classification:** Property Costs (ex. Electricity). **6. Data Source Summary:** A Building List report, which shows the accommodation transfer charges by building, the building type, CFU and whether BT owned or Telereal. The depreciation and MCE are from a Building Fixed Assets Report which shows the fixed asset data by building.
Data Sources	Asset metrics: Depreciation (SAP); and Property & Insurance: Property Space (HORIZON).

AG172

Title	Office Accommodation BT Owned
Overview	AG172 calculates BT-owned office accommodation costs and MCE per CFU based on accommodation transfer charges and the fixed assets report. These costs and MCE are then apportioned to other AGs and PGs following specific treatments for each CFU.
Description	**1. Source Costs and MCE:** This AG apportions BT Group Property depreciation, other operating costs and asset values for Office accommodation which is BT owned. It is a base produced from an apportionment model. **2. Cost and MCE Categories:** Predominantly Depreciation (RoU); Property Energy Costs; Current Liabilities and Non-current assets (RoU, Other Assets and Land and Buildings)
	3. Summary Destination: The AG predominantly apportions to RoBT and a number of AGs, including AG402 and AG118.
	4. Methodology Taxonomy: Property & Insurance. **5. Driver classification:** Property Costs (ex. Electricity).
	6. Data Source Summary: A Building List report, which shows the accommodation transfer charges by building, the building type, CFU and whether BT owned or Telereal. The depreciation and MCE are from a Building Fixed Assets Report which shows the fixed asset data by building.
Data Sources	Asset metrics: Depreciation (SAP); and Property & Insurance: Property Space (HORIZON).

AG173

Title	Office Accommodation Rented (Telereal)
Overview	AG173 calculates Telereal office accommodation costs and MCE per CFU based on accommodation transfer charges and the fixed assets report. These costs and MCE are then apportioned to other AGs and PGs following specific treatments for each CFU.
Description	**1. Source Costs and MCE:** This AG allocates BT Group Property costs, depreciation and asset values for the Office accommodation which is rented from Telereal. It is a base produced from an apportionment model. **2. Cost and MCE Categories:** Predominantly Depreciation (RoU); Property Energy Costs; Current Liabilities and Non-current assets (RoU, Other Assets and Land and Buildings).
	3. Summary Destination: The AG predominantly apportions to RoBT and a number of AGs, including AG401, AG402 and AG118.
	4. Methodology Taxonomy: Property & Insurance. **5. Driver classification:** Property Costs (ex. Electricity).
	6. Data Source Summary: A Building List report, which shows the accommodation transfer charges by building, the building type, CFU and whether BT owned or Telereal. The depreciation and MCE are from a Building Fixed Assets Report which shows the fixed asset data by building.
Data Sources	Asset metrics: Depreciation (SAP); and Property & Insurance: Property Space (HORIZON).

Activity Groups using other methodologies

An explanation of the Activity Group (AG) using property and insurance methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD, and Activity Groups are summarised in Section 4.4 'Activity Group layer overview'.

Calculation steps for the bases are included in: Annex nine: Activity Groups using other methodologies.

AG101

Title	Motor Transport
Overview	This AG apportions the costs and MCE associated with motor transport (including accommodation, new leased vehicles and accessories) to other AGs and PGs, based on the proportion of the Group Fleet Services recharges to various CFUs.
Description	**1. Source Costs and MCE:** This AG apportions the costs and asset values associated with motor transport, including accommodation, new leased vehicles and accessories. **2. Cost and MCE Categories:** Predominantly Depreciation (RoU); Other operating costs; and Non-current assets (RoU). **3. Summary Destination:** This AG apportions cost and MCE over a large number of AGs and products, including D-side Copper and Distribution Fibre, predominantly to WLA Area 2 and WLA Area 3. **4. Methodology Taxonomy:** Activity Group. **5. Driver classification:** Other. **6. Data Source Summary:** This AG apportions data from the general ledger, where underlying financial transactions of the BT Group are recorded.
Data Sources	Other Misc: Other (General ledger).

AG102

Title	BT Technology Operational Costs
Overview	This AG apportions the costs and MCE associated with BT Technology's common network management (which cannot be allocated directly to individual CFUs and CUs and are predominately software related) to other Bases, AGs and PGs, based on the proportion of the Net Book Value (NBV) of Core Fixed Assets.
Description	**1. Source Costs and MCE:** This AG is used to apportion BT Technology's network management costs and MCE, predominately software related, which cannot be allocated directly to individual CFUs and CUs. **2. Cost and MCE Categories:** Predominantly Depreciation (Software), Wages and Salaries; Other Operating Costs, Network Operating IT costs, Non-current assets (Software and RoU) and Current Liabilities. **3. Summary Destination:** This AG apportions Cost and MCE over a large number of AG's, PG's and products, predominantly within the RoBT Residual markets. **4. Methodology Taxonomy:** Activity Group. **5. Driver classification:** Other. **6. Data Source Summary:** This AG apportions data from the general ledger, where underlying financial transactions of the BT Group are recorded.
Data Sources	Other Misc: Other (General ledger).

AG113

Title	Liquid Funds and Interest
Overview	This AG apportions all liquid fund balances to other Bases, AGs and PGs, based on the proportion of total cash expenditure (operating expenditure and capital expenditure).
Description	**1. Source Costs and MCE:** The AG apportions liquid funds, i.e. a five-year median of short-term borrowings and cash. **2. Cost and MCE Categories:** Other Operating Costs and Current Assets
	3. Summary Destination: This AG apportions Cost and MCE over a large number of AGs, PGs and products, predominantly within the RoBT and WLA markets
	4. Methodology Taxonomy: Activity Group. **5. Driver classification:** Other.
	6. Data Source Summary: This AG apportions data from the general ledger, where underlying financial transactions of the BT Group are recorded.
Data Sources	Other Misc: Other (General ledger).

AG415

Title	Fleet fuel driver
Overview	This AG apportions the MT (Motor Transport) vehicle fuel costs to other Bases and PGs, based on the proportion of the external motor fuel transfer charges.
Description	**1. Source Costs and MCE:** This AG allocates vehicle fuel costs based on utilisation of services by each CFU, provided by the Fleet team. The external fuel costs are used to provide an analysis of the fuel usage in the different parts of BT. The analysis of the fuel costs amounts is used to calculate an overall base that is then applied to the underlying actual costs. **2. Cost and MCE Categories:** Other operating costs.
	3. Summary Destination: This AG allocates to several AGs and products, including AG407, PG574B, AG118, and AG102, with the remaining being allocated to RoBT markets.
	4. Methodology Taxonomy: Activity Group. **5. Driver classification:** Other.
	6. Data Source Summary: This AG apportions data from the general ledger, where underlying financial transactions of the BT Group are recorded.
Data Sources	Other Misc: Other (General ledger).

Activity Groups using pay methodologies

An explanation of the Activity Group (AG) using property and insurance methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD, and Activity Groups are summarised in Section 4.4 'Activity Group layer overview'.

Calculation steps for the bases are included in: Annex nine: Activity Groups using pay methodologies.

Factorised pay AG methodologies

AG116

Title	BT Factorised Pay Including Overseas
Overview	This AG apportions BT Group pay costs and associated liabilities where the specific Business Unit supports UK as well as Overseas operations, based on the factorised current and capital pay costs.
Description	**1. Source Costs and MCE:** This AG apportions BT Group pay costs (including accrued expenses, pension provisions and share based payments), and associated liabilities, based on factorised current salary and capitalised salary costs, where the specific Business unit supports UK and Overseas operations. **2. Cost and MCE Categories:** Predominantly Provisions. **3. Summary Destination:** The AG apportions cost over a large number of AGs, PGs and products, predominantly within RoBT markets. **4. Methodology Taxonomy:** Activity Group. **5. Driver classification:** Pay. **6. Data Source Summary:** This AG apportions data from the general ledger, where underlying financial transactions of the BT Group are recorded.
Data Sources	Other Misc: Other (General ledger).

Other pay methodologies

AG401

Title	Openreach pay driver
Overview	This AG apportions costs and MCE associated with Openreach centralised functions based on the allocation of Openreach pay costs.
Description	**1. Source Costs and MCE:** This AG captures costs such as Openreach Human Resources, Openreach HQ costs and miscellaneous costs supporting Openreach CFU. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Current Liabilities and Non-current assets (RoU and Other Assets) **3. Summary Destination:** This AG apportions cost to a large number of AGs, PGs and products. This is predominantly GEA FTTP Distribution Fibre, GEA Customer Site Installations and Access Distribution Fibre within the WLA and LLA markets. **4. Methodology Taxonomy:** Activity Group. **5. Driver classification:** Pay. **6. Data Source Summary:** This AG apportions data from the general ledger, where underlying financial transactions of the BT Group are recorded.
Data Sources	Other Misc: Other (General ledger).

AG402

Title	Technology pay driver
Overview	This AG apportions costs and MCE associated with BT Technology centralised functions based on the allocation of BT Technology pay costs.
Description	**1. Source Costs and MCE:** This AG captures costs such as property costs, including property facilities and utilities, and allocates a portion of BT Group Property costs and asset values used for supporting BT Technology. **2. Cost and MCE Categories:** Predominantly Property Energy Costs; Non-current assets (RoU; Land and Buildings; Other Assets) and Current Liabilities.
	3. Summary Destination: This AG apportions cost to a large number of AGs, PGs and products, predominantly within RoBT markets.
	4. Methodology Taxonomy: Activity Group **5. Driver classification:** Pay.
	6. Data Source Summary: This AG apportions data from the general ledger, where underlying financial transactions of the BT Group are recorded.
Data Sources	Other Misc: Other (General ledger).

AG407

Title	Openreach operations pay driver
Overview	This AG apportions costs and MCE associated with Openreach Operations Units, based on the allocation of Openreach Operations pay costs.
Description	**1. Source Costs and MCE:** This AG captures pay costs and associated liabilities in supporting Openreach Operations Units. **2. Cost and MCE Categories:** Predominantly Wages and Salaries; Other Operating Costs; Own work capitalised; and Current Liabilities.
	3. Summary Destination: This AG apportions cost to a large number of AGs, PGs and products. This is predominantly GEA FTTP Distribution Fibre, GEA Customer Site Installations and Access Distribution Fibre within the WLA and LLA markets.
	4. Methodology Taxonomy: Activity Group. **5. Driver classification:** Pay.
	6. Data Source Summary: This AG apportions data from the general ledger, where underlying financial transactions of the BT Group are recorded.
Data Sources	Other Misc: Other (General ledger).

Activity Groups using PAC methodologies

An explanation of the Activity Group (AG) using property and insurance methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD, and Activity Groups are summarised in Section 4.4 'Activity Group layer overview'.

Calculation steps for the bases are included in: Annex nine: Activity Groups using PAC methodologies.

AG118

Title	BT Group PAC – Including Overseas
Overview	This AG apportions the costs and MCE associated with the BT Group based on the BT Group PAC.
Description	**1. Source Costs and MCE:** This AG is used to apportion BT Group costs, predominately pay and general management costs, and balance sheet values, where specific Business units support UK and Overseas operations.
	2. Cost and MCE Categories: Predominantly Non-current assets (Software and RoU); Current Liabilities; Wages and Salaries; Other Operating Costs and Network Operating IT Costs.
	3. Summary Destination: The AG apportions Cost and MCE over a large number of AGs, PGs and products, predominantly within the RoBT markets.
	4. Methodology Taxonomy: Activity Group.
	5. Driver classification: PAC.
	6. Data Source Summary: This AG uses data from the general ledger, where underlying financial transactions of the BT Group are recorded, and apportions the data using previous applied allocation methodologies.
Data Sources	Other Misc: Other (General ledger).

AG119

Title	Technology PAC
Overview	This AG apportions the costs and MCE associated with BT Technology's overall support functions based on the BT Technology PAC.
Description	**1. Source Costs and MCE:** This AG is used to apportion BT Technology's overall support functions costs and balance sheets values, including the finance function and strategy team.
	2. Cost and MCE Categories: Predominantly Non-current assets (Other Assets and Software); Depreciation (Software); Wages and Salaries; and Current Liabilities.
	3. Summary Destination: This AG apportions Cost and MCE over a large number of AGs, PGs and products, predominantly within the RoBT markets.
	4. Methodology Taxonomy: Activity Group.
	5. Driver classification: PAC.
	6. Data Source Summary: This AG uses data from the general ledger, where underlying financial transactions of the BT Group are recorded, and apportions the data using previous applied allocation methodologies.
Data Sources	Other Misc: Other (General ledger).

AG410

Title	Openreach PAC
Overview	This AG apportions those costs and MCE associated with Openreach that are not product–specific, based on the Openreach PAC.
Description	**1. Source Costs and MCE:** This AG captures indirect costs and MCE that are not product–specific. **2. Cost and MCE Categories:** Predominantly Non-current assets (Other Assets and Software); Wages and Salaries; Depreciation (Software); Other Operating Costs; and Current Liabilities.
	3. Summary Destination: This AG apportions cost to a large number of AGs, PGs and products, based on the underlying attribution of the driver costs, predominantly to GEA FTTP Distribution Fibre, GEA Customer Site Installations, Analogue Line Final Drop and Access Distribution Fibre.
	4. Methodology Taxonomy: Activity Group. **5. Driver classification:** PAC.
	6. Data Source Summary: This AG uses data from the general ledger, where underlying financial transactions of the BT Group are recorded, and apportions the data using previous applied allocation methodologies.
Data Sources	Other Misc: Other (General ledger).

5.5 Plant Groups

Plant Groups using asset metrics methodologies

The following apportionment bases are categorised as Asset metrics methodologies. An explanation of asset metrics methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD.

Calculation steps for the Plant Groups are included in: Annex nine: Plant Groups using asset metric methodologies

PG100D

Title	Duct Regulatory Asset Value (RAV)
Overview	PG100D allocates the RAV adjustment for Duct assets to PIA components based on the percentages set out by Ofcom in the 2021 WFTMR.
Description	**1. Source Costs and MCE:** This PG apportions the costs relating to the duct asset RAV only. It covers the RAV of all Access Duct within the BT network. **2. Cost and MCE Categories:** Predominantly Supplementary Depreciation and Non-current assets (Duct). **3. Summary Destination:** Duct & Poles (PIA) components, including CZ301, CZ302, CZ303, CZ304, CZ305 and CZ306. **4. Methodology Taxonomy:** Asset Metrics. **5. Driver classification:** PIA Component Costs. **6. Data Source Summary:** PIA volumes and assumptions provided by Ofcom are used to determine the apportionment.
Data Sources	Volume Metrics: PIA Component Volumes (Revenues and Analysis).

PG101D

Title	Duct Infrastructure (Pre March 2018)
Overview	PG101D allocates the depreciation costs and MCE of Duct assets to PIA components based on the percentages set out by Ofcom in the 2021 WFTMR.
Description	**1. Source Costs and MCE:** This PG apportions the depreciation and asset values of our duct infrastructure, which carries access copper and fibre cables. **2. Cost and MCE Categories:** Predominantly Supplementary Depreciation, Depreciation (Duct), and Non-current assets (Duct). **3. Summary Destination:** This PG predominantly apportions to CZ313, as well as a number of other Duct (PIA) components, including CZ314, CZ315, CZ316, CZ317 and CZ318. **4. Methodology Taxonomy:** Volumes. **5. Driver classification:** PIA Volumes. **6. Data Source Summary:** PIA volumes and assumptions provided by Ofcom are used to determine the apportionment.
Data Sources	Volume Metrics: PIA Component Volumes (Revenues and Analysis).

PG102D

Title	Duct Infrastructure (Post March 2018)
Overview	PG102D allocates the depreciation costs and MCE of Duct assets installed after March 2018 to PIA components based on unit costs and volumes.
Description	**1. Source Costs and MCE:** This PG apportions the depreciation and asset values of our duct infrastructure, which carries access copper and fibre cables. **2. Cost and MCE Categories:** Predominantly Supplementary Depreciation, Depreciation (Duct), and Non-current assets (Duct).
	3. Summary Destination: This PG predominantly apportions to CZ313, as well as a number of other Duct & Pole (PIA) components, including CZ314, CZ315, CZ316, CZ317 and CZ318.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver classification:** PIA Component Costs and Volumes.
	6. Data Source Summary: PIA volumes and PIA components unit cost are used to determine the apportionment. PIA component unit cost are determined based on current year spend.
Data Sources	Asset Metrics: PIA Component Costs and PIA Component Volumes (PIPER, Artisan and Revenues and Analysis).

PG151B

Title	Broadband Line Testing Equipment (Openreach)
Overview	PG151B apportions Test Access Management Systems (TAMS) and EvoTAMs costs incurred during the provisioning of copper cable and associated activities (CoW LMC), using estimated depreciation.
Description	**1. Source costs and MCE:** This PG apportions overhead costs and asset values associated with TAMS and EvoTAMs. **2. Cost and MCE categories:** Predominantly Non-current assets (Copper; Other Assets), Wages and Salaries, Property Energy Costs and Network Operating IT Costs.
	3. Summary Destination: Primarily apportions to CZ600 within RoBT markets.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver Classification:** Depreciation.
	6. Data Source Summary: The general ledger and fixed asset reports are used to identify the operational expenditure and MCE associated with LMC CoW.
Data Sources	Asset metrics: GBV (General ledger); and OPEX (General ledger)

PG200P

Title	Poles - MCE
Overview	This PG apportions MCE associated with poles between internal and external components based on infrastructure volumes.
Description	**1. Source Costs and MCE:** This PG apportions the MCE and associated depreciation charges relating to Poles, predominately received from the PDTLDC apportionment base. **2. Cost and MCE Categories:** Predominantly Wages and Salaries and Non-current assets (Poles). **3. Summary Destination:** This Plant Group predominantly apportions to CZ325. **4. Methodology Taxonomy:** Asset Metrics. **5. Driver classification:** PIA Components Volumes. **6. Data Source Summary:** Network adjustments and pole investments data is used to determine the apportionment of this base.
Data Sources	Asset metrics: Network adjustment costs, CCA Indexation values, Gross book value (NIMS, ARTISAN), Gross replacement cost (NIMS, Artisan), PIA component volumes and Depreciation.

PG201P

Title	Poles Repair
Overview	This Plant Group apportions the costs associated with poles repair and maintenance between internal and external components based on infrastructure volumes.
Description	**1. Source Costs and MCE:** This PG apportions the costs associated with poles repair and maintenance, recorded on the Poles Testing CoW. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Net-Indirect Labour Costs, and Current Liabilities. **3. Summary Destination:** This Plant Group predominantly apportions to CZ325. **4. Methodology Taxonomy:** Asset Metrics. **5. Driver classification:** PIA Components Volumes. **6. Data Source Summary:** Poles volume data is used to determine the apportionment of this base.
Data Sources	Asset metrics: PIA Component Volumes.

PG300N

Title	Duct Network Adjustments Internal
Overview	This PG predominantly apportions to cost and MCE relating to internal network adjustments to a number of Duct components based on PIA volumes and PIA component unit costs.
Description	**1. Source Costs and MCE:** This PG apportions the cost of internal network adjustments (work we conduct for when building for our own network) for duct, below the financial limit of £4,750 per km. **2. Cost and MCE Categories:** Predominantly Holding Gains and Losses, Supplementary Depreciation, Depreciation (Duct), Wages and Salaries, and Non-current assets (Duct and Fibre). **3. Summary Destination:** This PG predominantly apportions to CZ313, as well as a number of other Duct (PIA) components, including CZ314, CZ315, CZ316, CZ317 and CZ318. **4. Methodology Taxonomy:** Asset Metrics. **5. Driver classification:** Network Adjustment Costs. **6. Data Source Summary:** Openreach provide data on network adjustments carried out on ducts, the data is split into costs above and below the threshold and apportionment is based on these proportions. PIA volumes and PIA components unit cost are used to determine the apportionment.
Data Sources	Asset Metrics: Network adjustment costs, CCA indexation values, PIA Component Costs and PIA Component Volumes (PIPER, Artisan and Revenues and Analysis).

PG303N

Title	Duct Network Adjustments External
Overview	This PG apportions the cost of external network adjustments using detailed Openreach KPI reporting which identifies network adjustments within LFDC, LDD, LFSC and LDC CoWs.
Description	1. **Source Costs and MCE:** This PG apportions the cost of external network adjustments (work we conduct for when building our own network) for duct below the financial limit of £4,750 per km. **2. Cost and MCE Categories:** Predominantly Depreciation (Copper and Duct), Holding Gains and Losses, Supplementary Depreciation, and Non-current assets (Copper and Duct) **3. Summary Destination:** This PG predominantly apportions to CZ313, as well as a number of other PIA components, including CZ314, CZ315, CZ316, CZ317 and CZ318. **4. Methodology Taxonomy:** Asset Metrics. **5. Driver classification:** Network Adjustment Costs. **6. Data Source Summary:** Openreach provide data on network adjustments carried out on ducts, the data is split into costs above and below the threshold and apportionment is based on these proportions. PIA volumes and PIA components unit cost are used to determine the apportionment.
Data Sources	Asset Metrics: Network adjustment costs, CCA indexation values, PIA Component Costs and PIA Component Volumes (PIPER, Artisan and Revenues and Analysis).

PG954C

Title	GEA (Generic Ethernet Access) Customer Site Installations
Overview	PG954C apportions GEA Customer Site Installation costs between FTTC and FTTP components, based on in year capex.
Description	**1. Source Costs and MCE:** This PG apportions the costs and MCE associated with the provision and recovery of NGA customer site equipment, including contract, planning, pay and depreciation costs. **2. Cost and MCE Categories:** Predominantly Current Assets, Non-current assets (Fibre), Other Operating Costs, and Wages and Salaries. **3. Summary Destination:** This PG predominantly apportions to CL963, as well as to CL954. **4. Methodology Taxonomy:** Asset Metrics. **5. Driver classification:** Capex Spend. **6. Data Source Summary:** Openreach Capex report for CoW FTTX is used to determine the apportionment.
Data Sources	Asset Metrics: Capex Spend

PG998A

Title	Fibre Rollout Funding
Overview	PG998A apportions grant funding balance sheet values between FTTP and FTTC based on the NBV split of the assets funded by these grants.
Description	**1. Source Costs and MCE:** This PG apportions the funding of the BDUK Development Programme recorded on the GFA CoW. **2. Cost and MCE Categories:** Predominantly Current Liabilities, Non-current assets (Funded Assets), and Depreciation (Funded Assets). **3. Summary Destination:** This PG predominantly apportions to CL997, as well as to CL998. **4. Methodology Taxonomy:** Asset Metrics. **5. Driver classification:** GBV. **6. Data Source Summary:** The BDUK development programme allocation for FTTC and FTTP equipment is used to determine the apportionment.
Data Sources	Asset Metrics: Net book value; and Network data: capex spend (ORBIT).

Plant Groups using direct methodologies

The following apportionment bases are categorised as Direct methodologies. An explanation of Direct methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD.

The below details are relevant for the following PGs:

Description	**4. Methodology Taxonomy:** Direct. **5. Driver classification:** Direct.
	6. Data source: 100% allocation, no data source.
Data Sources	N/A - Direct Allocation.

Calculation Steps are not applicable for these Plant Groups as they are a Direct Allocation.

PG005Y

Title	Residual Excess Construction Adjust Credit Duct
Description	**1. Source Costs and MCE:** This PG removes depreciation and non-current assets relating to copper and duct from a number of WLA services where ECC depreciation has been incurred.
	2. Cost and MCE Categories: Predominantly Depreciation (Copper) and Non-current assets (Copper).
	3. Summary Destination: CL173.

PG006X

Title	CISBO ECC (Excess Construction Charge) Capex Debit
Description	**1. Source Costs and MCE:** This PG allocates the in-year costs and the consequential indirect costs relating to Excess Construction Charges (ECCs) incurred on Ethernet services within the year.
	2. Cost and MCE Categories: Predominantly Own work capitalised, Product Costs, Non-current assets (RoU, Other Assets, Software), Current Assets, Current Liabilities.
	3. Summary Destination: CE106.

PG117C

Title	E-Side Copper Cable
Description	**1. Source Costs and MCE:** This PG allocates the costs and MCE associated with E-Side Copper.
	2. Cost and MCE Categories: Predominantly Depreciation (Copper), Supplementary Depreciation, Holding Gains and Losses, and Non-current assets (Copper).
	3. Summary Destination: CL171.

PG118C

Title	D-Side Copper Cable
Description	**1. Source Costs and MCE:** This PG allocates the costs associated with D-Side Copper.
	2. Cost and MCE Categories: Predominantly Depreciation Copper, Supplementary Depreciation, Non-current assets (Copper).
	3. Summary Destination: CL173.

PG118M

Title	D-Side Copper Cable Maintenance
Description	**1. Source Costs and MCE:** This PG allocates costs associated with D-Side Copper, including non-ETG pay and stores. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Other Operating Costs, Own work capitalised, Non-current assets (Right of use, Other Assets), Current Assets, and Current Liabilities. **3. Summary Destination:** CL174.

PG120B

Title	LLU Electricity Usage - OR
Description	**1. Source Costs and MCE:** This PG allocates Openreach electricity costs related to LLU. **2. Cost and MCE Categories:** Predominantly Property Energy Costs, Current Assets and Non-current assets (Software, Other Assets). **3. Summary Destination:** CL120.

PG122M

Title	Dropwire Maintenance Residential
Description	**1. Source Costs and MCE:** This PG allocates costs associated with the maintenance of Residential PSTN, primarily Dropwire repair costs **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Net indirect labour costs, Current Liabilities, and Current Assets. **3. Summary Destination:** CL180.

PG130A

Title	Intra-exchange Tie Cables
Description	**1. Source Costs and MCE:** This PG captures costs of tie cables for LLU. LLU enables other communication providers (OCP) to use BT's local loop to provide services to customers. This is delivered by co-mingling, in which BT provides a room in an exchange for an OCP and their equipment, and arranges for connection of the room to the BT Main Distribution Frame (MDF) via a tie cable. The OCP has to order 'ties' in items of 100 pair cables. **2. Cost and MCE Categories:** Predominantly Depreciation (Software), Non-current assets (Copper and Other Assets) and Current Assets. **3. Summary Destination:** CL133.

PG132B

Title	LLU Co-mingling Recurring Costs (OR)
Description	**1. Source Costs and MCE**: This PG allocates the cost of LLU Hosting Rental, which is the rental of a site for hosting LLU equipment. **2. Cost and MCE Categories:** Predominantly Depreciation (Other Assets), Non-current assets (Other Assets), and Current Assets. **3. Summary Destination:** CL132.

PG132N

Title	LLU (Local Loop Unbundling) Co-mingling Recurring costs (BT Technology)
Description	**1. Source Costs and MCE:** This PG allocates the cost of LLU Hosting Rental. Hosting Rental is the rental of a site for hosting LLU equipment. **2. Cost and MCE Categories:** Predominantly Depreciation (Other Assets and RoU), Wages and Salaries, Property Energy Costs, Network Operating IT Costs, Non-current assets (RoU and Other Assets), Current Assets, and Current Liabilities. **3. Summary Destination:** CT134.

PG136N

Title	LLU Co-mingling Provision
Description	**1. Source Costs and MCE:** This PG allocates MCE and costs of building the LLU Hostels within BT Exchanges. **2. Cost and MCE Categories:** Predominantly Depreciation (Other Assets), Wages and Salaries, Non-current assets (Other Assets and Software), and Current Assets. **3. Summary Destination:** CL131.

PG142A

Title	MDF (Main Distribution Frame) Hardware Jumpering
Description	**1. Source Costs and MCE:** This PG allocates pay costs, associated with jumpering activities on the MDF connecting the Exchange switch equipment to the E-Side cable. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Other Operating Costs, Own work capitalised, Non-current assets (RoU, Other Assets), Current Assets, and Current Liabilities. **3. Summary Destination:** CL161.

PG149A

Title	Analogue Line Final Drop
Description	**1. Source Costs and MCE:** This PG allocates the Drop wire costs and assets associated with specific analogue line based products, mainly copper depreciation and non-current assets. Drop wires are wires connecting the Distribution Point to the customer's premises. **2. Cost and MCE Categories:** Predominantly Depreciation Copper, Supplementary Depreciation, Wages and Salaries, Non-current assets (Copper), Current Assets, and Current Liabilities. **3. Summary Destination:** CL178.

PG150B

Title	Abortive Visits
Description	**1. Source Costs and MCE:** This PG allocates Abortive Visit Charge (AVC), which are mostly pay costs. An AVC is applied where an appointment is agreed for work at an End User's Site and the engineer arrives within the appointment slot but is unable to carry out the work at, or gain access to, the End User Site. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Non-current assets (RoU), Current Assets, and Current Liabilities. **3. Summary Destination:** CL182.

PG154B

Title	NGA Visit Assure
Description	**1. Source Costs and MCE:** This PG allocates costs, including pay and maintenance, associated with NGA Visit Assure jobs. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Other Operating Costs, Own work capitalised, Non-current assets (RoU), Current Assets and Current Liabilities. **3. Summary Destination:** CL195.

PG171A

Title	Ethernet Cablelink
Description	**1. Source Costs and MCE:** This PG captures the depreciation costs and asset values of ethernet Cablelink. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Depreciation (Fibre), Current Assets and Non-current assets (RoU; Fibre). **3. Summary Destination:** CL165.

PG192A

Title	FTTC Copper Tie Cables
Description	**1. Source Costs and MCE:** This PG allocates MCE and costs associated with NGA E-Side cables. **2. Cost and MCE Categories:** Predominantly Property Energy Costs, Current Assets and Non-current assets (Copper; Duct). **3. Summary Destination:** CL192.

PG198A

Title	FTTP Development
Description	**1. Source Costs and MCE:** This PG allocates costs and MCE associated with the Openreach NGA FTTP product currently under development. **2. Cost and MCE Categories:** Depreciation (Software); Current Assets; and Non-current assets (Software). **3. Summary Destination:** CL198.

PG217E

Title	Main Distribution Frames Equipment
Description	**1. Source Costs and MCE:** This PG captures the cost of provisions, extension, upgrade, replacement, re-arrangement and recovery of Main Distribution Frames (MDFs). **2. Cost and MCE Categories:** Predominantly Property Energy Costs, Current Assets and Non-current assets (RoU; Other Assets). **3. Summary Destination:** CL175.

PG301N

Title	Poles Network Adjustments External
Description	**1. Source Costs and MCE:** Cost Analysis Spreadsheet shows no source costs or MCE. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Supplementary Depreciation, Other CCA Adjustments, Depreciation Poles, Current Assets and Non-current assets (Poles). **3. Summary Destination:** CZ332.

PG302N

Title	Poles Network Adjustments Internal
Description	**1. Source Costs and MCE:** This PG allocates the cost of internal network adjustments (work we conduct for when building our own network) for poles. We use the detailed breakdown of our KPI reporting shared with Ofcom to identify those network adjustments that are duct related within CoW LDC and LFDC for Openreach. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Depreciation Fibre, Current Assets and Non-current assets (Poles; Fibre). **3. Summary Destination:** CZ331.

PG304N

Title	Network Adjustment Above The Line
Description	**1. Source Costs and MCE:** Depreciation and Access Fibre **2. Cost and MCE Categories:** Predominantly Depreciation (Duct), and Current Assets. **3. Summary Destination:** CZ327.

PG447A

Title	Ethernet access equipment
Description	**1. Source Costs and MCE:** This PG allocates overhead costs, including pay, electricity and general management costs, and MCE relating to electronics, land and buildings, associated with the rental electronics used to provide EAD services, Wholesale Extension Services (WES), LAN Extension Services (LES), Ethernet services, Backhaul Extension Services (BES), Wholesale and LAN extension services and Optical Ethernet Services. **2. Cost and MCE Categories:** Predominantly Property Energy Costs, Wages and Salaries, Non-current assets (Other Assets), Current Assets and Current Liabilities. **3. Summary Destination:** CO485.

PG449A

Title	Ethernet Monitoring Platform
Description	**1. Source Costs and MCE:** This PG allocates general management costs associated with an Internal Transfer Charge between Openreach and Global Services for an Ethernet Monitoring Platform. **2. Cost and MCE Categories:** Other Operating Costs and Current Assets. **3. Summary Destination:** CO445.

PG457A

Title	Optical Ethernet Electronics Capital
Description	**1. Source Costs and MCE:** This PG allocates depreciation associated with the dedicated equipment for Optical Ethernet electronics rentals and non-current assets relating to private circuits & switched multimegabit data services. **2. Cost and MCE Categories:** Depreciation (Electronic), Wages and Salaries, Current Assets and Non-current assets (Electronic). **3. Summary Destination:** CO457.

PG467A

Title	EAD Electronics Capital
Description	**1. Source Costs and MCE:** This PG allocates private circuits depreciation associated with the dedicated equipment for EAD electronics rentals and non-current assets relating to EAD rental services. **2. Cost and MCE Categories:** Predominantly Depreciation (Electronic), and Wages and Salaries, Current Assets, and Non-current assets (Electronic). **3. Summary Destination:** CO487.

PG502B

Title	SG&A Openreach Sales Product Management
Description	**1. Source Costs and MCE:** This PG allocates general management, deferred income and current liabilities related to Sales and Product Management. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Own work capitalised, Current Liabilities, Current Assets, Non-current assets (RoU). **3. Summary Destination:** CP502.

PG574B

Title	OR Service Centre Provision NGA
Description	**1. Source Costs and MCE:** This PG allocates the pay and general management costs, as well as current liabilities associated with Service Centres for the Provision of NGA. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Own work capitalised, Depreciation (RoU), Non-current assets (RoU), Current Liabilities, and Current Assets. **3. Summary Destination:** CL574.

PG579B

Title	OR Service Centre Assurance NGA
Description	**1. Source Costs and MCE:** This PG allocates the pay and general management cost, and trade creditors and accruals relating to service centres for Assurance NGA. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Own work capitalised, Current Assets, and Current Liabilities. **3. Summary Destination:** CL579.

PG590B

Title	SLG WLA External
Description	**1. Source Costs and MCE:** This PG allocates external general management and support costs associated with WLA SLGs. **2. Cost and MCE Categories:** Other Operating Costs and Current Assets.
	3. Summary Destination: CL590.

PG591B

Title	SLG WLA Internal
Description	**1. Source Costs and MCE:** This PG allocates internal general management and support costs associated with WLA SLGs. **2. Cost and MCE Categories:** Other Operating Costs and Current Assets.
	3. Summary Destination: CL591.

PG601B

Title	SLG Ethernet Provision External
Description	**1. Source Costs and MCE:** This PG allocates general support and management costs associated with SLG Payments to CPs for Ethernet provision. **2. Cost and MCE Categories:** Other Operating Costs and Current Assets.
	3. Summary Destination: CL601.

PG605B

Title	SLG Ethernet Provision Internal
Description	**1. Source Costs and MCE:** This PG allocates the general support and management costs associated with SLG payments to CPs for Ethernet provision. **2. Cost and MCE Categories:** Other Operating Costs and Current Assets.
	3. Summary Destination: CL605.

PG612B

Title	IFRS 15 Deferred Revenue Internal
Description	**1. Source Costs and MCE:** This PG allocates deferred revenue related to IFRS 15. **2. Cost and MCE Categories:** Predominantly Current Liabilities, Non-current assets (Other Assets; Software), Depreciation (Software), Other Operating Costs, and Wages and Salaries.
	3. Summary Destination: CL612.

PG613B

Title	IFRS 15 SLG Internal
Description	**1. Source Costs and MCE:** This PG allocates the IFRS15 costs associated with SLG payments, which are primarily general support costs. **2. Cost and MCE Categories:** Other Operating Costs.
	3. Summary Destination: CL613.

PG614B

Title	IFRS 15 Deferred Revenue External
Description	**1. Source Costs and MCE:** This PG allocates deferred revenue related to IFRS 15. **2. Cost and MCE Categories:** Predominantly Current Liabilities, Non-current assets (Other Assets; Software), Depreciation (Software), Other Operating Costs, and Wages and Salaries.
	3. Summary Destination: CL614.

PG615B

Title	IFRS 15 SLG External
Description	**1. Source Costs and MCE:** This PG allocates costs, primarily general support, associated with SLG payments relating to IFRS 15. **2. Cost and MCE Categories:** Predominantly Other Operating Costs, Non-current assets (Software, Other Assets), Current Liabilities.
	3. Summary Destination: CL613.

PG899A

Title	WDM-Metro Link
Description	**1. Source Costs and MCE:** This PG allocates the GBV of assets, depreciation and general management costs associated with transmission electronics between WDM MSAN and a Metro Node. **2. Cost and MCE Categories:** Predominantly Depreciation (Electronic), Property Energy Costs, Current Assets, Non-current assets (Electronic, Other Assets).
	3. Summary Destination: CN619.

PG943A

Title	Cumulo - OR
Description	**1. Source Costs and MCE:** This PG allocates the cumulo charge payable for Openreach assets. **2. Cost and MCE Categories:** Predominantly Property Energy Costs, and Current Assets.
	3. Summary Destination: CL943.

PG948C

Title	GEA FTTP Access Fibre Spine
Description	**1. Source Costs and MCE:** This PG allocates the general management and pay costs, and MCE associated with the provision, installation and recovery of NGA FTTP fibre cable in the spine access network. This includes costs associated with clearing existing duct, to allow cable to be installed, jointing and spine cable (splicing). **2. Cost and MCE Categories:** Predominantly Depreciation (Fibre), Wages and Salaries, Own work capitalised, Current Assets, Non-current assets (Fibre). **3. Summary Destination:** CL948.

PG949C

Title	GEA (Generic Ethernet Access) FTTP Distribution Fibre
Description	**1. Source Costs and MCE:** This PG allocates LFDC depreciation costs associated with the provision, installation and recovery of NGA fibre cable in the FTTC distribution access network. **2. Cost and MCE Categories:** Predominantly Depreciation (Fibre), Wages and Salaries, Own work capitalised, Non-current assets (Fibre), Current Assets, and Current Liabilities. **3. Summary Destination:** CL949.

PG950C

Title	GEA FTTC Access Fibre Spine
Description	**1. Source Costs and MCE:** This PG allocates the depreciation and general management costs and GBV of LFSC assets, associated with the provision, installation and recovery of NGA FTTC fibre cable in the spine access network. **2. Cost and MCE Categories:** Predominantly Depreciation (Fibre), Wages and Salaries, Own work capitalised, Non-current assets (Fibre), Current Assets, and Current Liabilities. **3. Summary Destination:** CL950.

PG951C

Title	GEA FTTC Distribution Fibre
Description	**1. Source Costs and MCE:** This PG allocates the depreciation and general management costs and GBV of LFDC assets associated with the provision, installation and recovery of NGA fibre cable in the FTTC distribution access network. **2. Cost and MCE Categories:** Predominantly Depreciation (Fibre), Wages and Salaries, Own work capitalised, Non-current assets (Fibre), Current Assets, and Current Liabilities. **3. Summary Destination:** CL951.

PG953C

Title	GEA DSLAM and Cabinets
Description	**1. Source Costs and MCE:** This PG allocates the depreciation costs and GBV of LFME assets, associated with the DSLAM cabinets, cabinet shells, and cabinet tie cables. **2. Cost and MCE Categories:** Predominantly Depreciation (Fibre), Current Assets, Non-current assets (Fibre). **3. Summary Destination:** CL953.

PG955M

Title	GEA FTTC Maintenance
Description	**1. Source Costs and MCE:** This PG allocates the NGA FTTC costs, including pay and general management costs, associated with the repair and maintenance of head end electronics, DSLAM cabinets and specific NGA customer equipment. **2. Cost and MCE Categories:** Predominantly Other Operating Costs, Own work capitalised, and Wages and Salaries, Current Assets, Current Liabilities, Non-current assets (RoU, Other Assets). **3. Summary Destination:** CL955.

PG956M

Title	GEA FTTP Maintenance
Description	**1. Source Costs and MCE:** This PG allocates the NGA FTTP costs associated with the repair / maintenance of the head end electronics and specific NGA customer equipment. **2. Cost and MCE Categories:** Predominantly Other Operating Costs, Own work capitalised, and Wages and Salaries, Current Assets, Current Liabilities, Non-current assets (RoU, Other Assets). **3. Summary Destination:** CL956.

PG957P

Title	GEA (Generic Ethernet Access) FTTP Provision
Description	**1. Source Costs and MCE:** This PG allocates the NGA FTTP costs associated with the provision of specific NGA customer equipment. **2. Cost and MCE Categories:** Predominantly Other Operating Costs, Product Costs, Own work capitalised, and Wages and Salaries, Current Assets, Current Liabilities, Non-current assets (RoU, Other Assets). **3. Summary Destination:** CL957.

PG958P

Title	GEA (Generic Ethernet Access) FTTC Provision
Description	**1. Source Costs and MCE:** This PG allocates the NGA FTTC costs, including general management and provision and installation pay costs, associated with the provision of DSLAM cabinets and specific NGA customer equipment. **2. Cost and MCE Categories:** Predominantly Other Operating Costs, Product Costs, Own work capitalised, and Wages and Salaries, Current Assets, Current Liabilities, Non-current assets (RoU, Other Assets). **3. Summary Destination:** CL958.

PG981R

Title	Regulated Time Related Charges
Description	**1. Source Costs and MCE:** This PG allocates the costs and balance sheet of time scale charges. Time scale charges refer to time spent on planned / unplanned jobs when a timescale charge is appropriate. **2. Cost and MCE Categories:** Predominantly Other Operating Costs, and Wages and Salaries, Own work capitalised, Depreciation (Other Assets), Non-current assets (Other Assets), Current Assets, Current Liabilities. **3. Summary Destination:** CK981.

PG982R

Title	Openreach managed services for BT Business
Description	**1. Source Costs and MCE:** This PG allocates the costs of work carried out by Openreach that specifically supports BT Business Products and services or activities. **2. Cost and MCE Categories:** Predominantly Network Operating It Costs, Wages and Salaries, Current Assets, and Current Liabilities. **3. Summary Destination:** CK982.

PG989A

Title	Special Fault Investigation
Description	**1. Source Costs and MCE:** This PG allocates the costs, predominately pay costs relating to customer support and maintenance, and MCE relating to Special Fault Investigations. **2. Cost and MCE Categories:** Predominantly Other Operating Costs, Wages and Salaries, Current Assets, and Current Liabilities. **3. Summary Destination:** CO989.

PG990A

Title	FTTP Funded Fibre Rollout Spend
Description	**1. Source Costs and MCE:** This PG allocates costs and asset values associated with fibre rollout across BDUK areas for FTTP services. **2. Cost and MCE Categories:** Predominantly Depreciation (Fibre), Wages and Salaries, and Non-current assets (Fibre). **3. Summary Destination:** CL990.

PG999A

Title	FTTC Funded Fibre Rollout Spend
Description	**1. Source Costs and MCE:** This PG allocates the expenditure on fibre rollout across BDUK areas for FTTC services **2. Cost and MCE Categories:** Predominantly Depreciation (Fibre, Copper), Other Operating Income, Non-current assets (Copper; Fibre; Duct; Other Assets), and Current Liabilities. **3. Summary Destination:** CL999 (FTTC Funded Fibre Rollout Spend).

Plant Groups using network data methodologies

The following apportionment bases are categorised as Network data methodologies. An explanation of Network data methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD.

Calculation steps for the Plant Groups are included in: Annex nine: Plant Groups using network data methodologies.

PG111C

Title	Access Fibre Spine
Overview	PG111C apportions costs and MCE relating to fibre spine cables based on the number of fibres used by each component. Ethernet spine fibre volumes used in the attribution calculation are taken as equal to the number of active Ethernet circuits.
Description	**1. Source Costs and MCE:** This PG apportions the depreciation costs and the asset values relating to fibre spine cables; duct used by these cables; and indirect costs related to the capital expenditure e.g. the van costs incurred by the engineers installing the fibre. **2. Cost and MCE Categories:** Predominantly Depreciation Fibre, Wages and Salaries, and Non-current assets (Fibre).
	3. Summary Destination: This PG predominantly apportions to CW609.
	4. Methodology Taxonomy: Network Data. **5. Driver classification:** Fibre Count by Product (CTCS).
	6. Data Source Summary: This PG uses Equipment Count Data from CTCS (Core Transmission Circuit costing System)
Data Sources	Network Data: Circuit count (CTCS), Bearer volumes (CTCS); Revenue & Volumes: Fibre Count by Product (CTCS) ; and Asset Metrics: Gross replacement value.

PG170B

Title	Backhaul Fibre
Overview	PG170B apportions Cost and MCE relating to fibre backhaul cables, based on the total lengths of fibres used by each component.
Description	**1. Source costs and MCE:** This PG apportions the depreciation costs and asset values of the backhaul length elements of the bearers in BT's Core Transmission network. **2. Cost and MCE categories:** Predominantly Depreciation Fibre, Wages and Salaries, Other Operating Costs, Non-current assets (Fibre), Current Assets and Current Liabilities.
	3. Summary Destination: This PG predominantly apportions to CO484.
	4. Methodology Taxonomy: Network Data. **5. Driver classification:** Fibre distances by Component.
	6. Data Source Summary: This PG uses fibre lengths data calculated using connections data from LLUMS.
Data Sources	Network Data: LLUMS

PG959C

Title	Access Distribution Fibre
Overview	PG959C apportions costs associated with the provision, installation and recovery of fibre cables in the access network, based on the number of fibre cables used by each component.
Description	**1. Source Costs and MCE:** This PG predominantly apportions the depreciation costs and the GBV for Distribution Fibre. **2. Cost and MCE Categories:** Predominantly Depreciation Fibre, Wages and Salaries, Own work capitalised, Non-current assets (Fibre), Current Assets, Current Liabilities.
	3. Summary Destination: This PG predominantly apportions to CW610.
	4. Methodology Taxonomy: Network Data. **5. Driver classification:** Fibre Count by Product (CTCS).
	6. Data Source Summary: This PG uses Equipment Count Data from CTCS (Core Transmission Circuit costing System).
Data Sources	Network Data - Fibre & Equipment Count by Product (CTCS).

Plant Groups using other miscellaneous methodologies

The following apportionment bases are categorised as Other miscellaneous methodologies. An explanation of Other miscellaneous methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD.

Calculation steps for the Plant Groups are included in: Annex nine: Plant Groups using other miscellaneous methodologies.

PG140A

Title	Routing and Records
Overview	This Plant Group apportions cost and MCE relating to routing and records activities.
Description	**1. Source Costs and MCE:** This PG allocates the costs and balance sheet (provision and installation pay) relating to Routing and Records work for provision of analogue/ISDN lines, LLU and Fibre based circuits. **2. Cost and MCE Categories:** Predominantly Other Operating Costs, Wages and Salaries, Non-current assets (RoU), Current Assets and Current Liabilities. **3. Summary Destination:** This PG predominantly apportions to CL160. **4. Methodology Taxonomy:** Cost Metrics **5. Driver classification:** Cost **6. Data Source Summary:** Openreach provide PIA ancillaries costs relating to routing and records activity for Network Adjustments.
Data Sources	Cost metrics: Network Adjustments costs

PG952C

Title	GEA Electronics
Overview	PG952C apportions the NGA costs associated with the installation, rearrangement, recovery, replacement and renewal of NGA Local Access Network equipment between FTTC and FTTP based on equipment counts for the different technologies.
Description	**1. Source Costs and MCE:** This PG apportions the NGA costs associated with the installation, rearrangement, recovery, replacement and renewal of NGA Local Access Network equipment at the exchange end of Local Access Optical Fibre Cables. **2. Cost and MCE Categories:** Predominantly Depreciation (Electronic, Other Assets), and Property Energy Costs, Non-current assets (Electronic, Other Assets), Current Assets. **3. Summary Destination:** This PG apportions to CL961 and CL952. **4. Methodology Taxonomy:** Other Misc. **5. Driver classification:** Head-end Equipment volumes. **6. Data Source Summary:** Head end data for GEA Electronics
Data Sources	Equipment Volumes - LLUMS (Local Loop Unbundling Management System)

Plant Groups using revenue & volumes methodologies

The following apportionment bases are categorised as Revenue and volumes methodologies. An explanation of Revenue and volumes methodology drivers is set out within Section 4.7 'Methodology categories' of Part One of this AMD.

Calculation steps for the Plant Groups are included in: Annex nine: Plant Groups using other miscellaneous methodologies.

PG003Y

Title	Access Excess Construction Adjustment Credit
Overview	PG003Y is apportioned to components based on the volume of reported services used by each component.
Description	**1. Source Costs and MCE:** The purpose of this PG is to reduce the amount of duct and fibre assets that are attributed to fibre components in order to avoid the double-recovery of assets that were funded by ECC revenues. This PG represents the reverse side of the journal referred to in PG003X. PG003X contains the capital employed and related depreciation charges arising from the cumulative ECC funded investment for Ethernet services and for time related charges. However it does not include the in year capital expenditure on these investments which are included in the PG006X. **2. Cost and MCE Categories:** Predominantly Depreciation (Fibre) and Non-current assets (Fibre).
	3. Summary Destination: This PG predominantly apportions to CW610.
	4. Methodology Taxonomy: Revenue & Volumes **5. Driver classification:** Ethernet Service Circuit Volumes
	6. Data Source Summary: The primary data source used in the allocation of the base is volumes for circuits of reported services.
Data Sources	Revenue & volumes: Ethernet service circuit volumes (ORBIT); Other miscellaneous: Equipment costs, equipment usage; and Asset metrics: Net replacement costs.

PG006Y

Title	Access Excess Construction Capex Credit
Overview	PG006Y is apportioned to components based on the volume of reported services used by each component.
Description	**1. Source Costs and MCE:** The purpose of this PG is to reduce the amount of duct and fibre assets that are attributed to fibre components in order to avoid the double-recovery of assets that were funded by ECC revenues. This PG represents the reverse side of the journal referred to in PG006X. PG006X contains only the in year capital expenditure and related depreciation charges on ECC funded investment for Ethernet services and for time related charges. It does not include the cumulative ECC capital expenditure on these investments which are included in PG003X. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Non-current assets (Fibre) and Current Assets.
	3. Summary Destination: This PG predominantly apportions to CW610.
	4. Methodology Taxonomy: Revenue & Volumes **5. Driver classification:** Ethernet Service Circuit Volumes
	6. Data Source Summary: The primary data source used in the allocation of the base is volumes for circuits of reported services.
Data Sources	Revenue & volumes: Ethernet service circuit volumes (ORBIT); Other miscellaneous: Equipment costs, equipment usage; and Asset metrics: Net replacement costs.

PG501B

Title	SG&A Openreach Sales Product Management Discounts
Overview	PG501 allocations are calculated using discount liability data to allocate discount liablities into distinct component types.
Description	**1. Source Costs and MCE:** This PG allocates current liabilities related to Sales and Product Management discounts for P112 and Equinox **2. Cost and MCE Categories:** Predominantly, Current Liabilities
	3. Summary Destination: CP503, CP501 and CP502.
	4. Methodology Taxonomy: Revenue and volumes **5. Driver classification:** Discount liabilities
	6. Data Source Summary: discount liabilities provided by Openreach to determine apportionment
Data Sources	Discount liability balances

5.6 Components

Methodology driven components

Calculation steps for the Components are included in: Annex nine: Methodology Driven Components

CE106

Published component	**SC_CE106 - Ethernet Excess Construction Capex**
Sub-component	CE106 - Ethernet Excess Construction Capex
Overview	CE106 usage factors are calculated based on the relative revenues of the services to which the component costs and MCE are allocated.
Description	**1. Source Costs and MCE:** This component apportions costs for provision and installation relating to pay and non-pay costs, as well as general management costs. This component also captures balances sheet receivables and software non-current assets. **2. Cost and MCE Categories:** Predominantly Own work capitalised, Product Costs, Wages and Salaries, Non-current assets (RoU, Other Assets), Current Assets, and Current Liabilities. **3. Summary Destination:** Predominantly services within the Leased lines access markets, includes SS283, SS262, SS183, SS261 and SS282. **4. Methodology Taxonomy:** Revenue & Volumes. **5. Driver classification:** Ethernet Revenue and Volumes.

CK981

Published component	**SC_CK981 - Regulated Time Related Charges**
Sub-component	CK981 - Openreach time related charges
Overview	CK981 usage factors are calculated based on the relative SML2 revenue of the services to which the component costs and MCE are allocated.
Description	**1. Source Costs and MCE:** TRCs refer to repair and provisioning jobs carried out by Openreach engineers. The activity could be on Openreach's network or outside of this network, e.g. wiring in the customer's home. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Own work capitalised, Other Operating Costs, Depreciation (Other Assets), Non-current assets (Other Assets), Current Assets, and Current Liabilities. **3. Summary Destination:** Predominantly apportions to time related charges (SK992 and SK993) and WLA services (WE991, WX991 WN990 and WI990) within the Openreach residual and WLA markets. **4. Methodology Taxonomy:** Revenue & Volumes. **5. Driver classification:** Openreach & Wholesale Service Revenue.

CL160

Published component	**SC_CL160 - Routing & Records**
Sub-component	CL160 - Routing and Records
Overview	CL160 usage factors are calculated based on channels/circuit and relative times for the services to which the component costs and MCE are allocated.
Description	**1. Source Costs and MCE:** This component apportions the provision and installation pay costs and balance sheet of Routing and Records work for provision of analogue / ISDN lines, Local Loop Unbundling and Fibre based circuits. **2. Cost and MCE Categories:** Predominantly Current Assets, Non-current assets (RoU), Depreciation (Rou), Network Operating It Costs, Other Operating Costs, Specific Items, and Wages and Salaries.
	3. Summary Destination: This component apportions to multiple services within the WLA markets, including WI354 and WE355 (SOGEA connections), W1306 and WE316 (GEA FTTP Connections), and WE129 (MPF new provides).
	4. Methodology Taxonomy: Other Misc. **5. Driver classification:** Equipment Costs

CL161

Published component	**SC_CL161 - MDF Hardware Jumpering**
Sub-component	CL161 - MDF Hardware Jumpering
Overview	CL161 attributes the cost of exchange jumpering activities based on the amount of time required to provide services for each activity.
Description	**1. Source Costs and MCE:** This component apportions the cost of exchange jumpering activities on the Main Distribution Frame (MDF) connecting the exchange switch equipment to the exchange side (E-Side) cable. Costs are 100% allocated from PG142A MDF Hardware Jumpering. **2. Cost and MCE Categories:** Predominantly Current Assets, Current Liabilities, Non-current assets (Other Assets), Provisions, Other Operating Costs, Own work capitalised, and Wages and Salaries
	3. Summary Destination: This component predominantly apportions to MPF and SMPF New Provides, MPF Single Migrations, SOGEA Connections and Hard Ceases services within the WLA, Openreach residual markets.
	4. Methodology Taxonomy: Labour. **5. Driver classification:** Labour hours & Labour Rates.

CL171

Published component	**SC_CL171 - E side copper capital**
Sub-component	CL171 - E side copper capital
Overview	CL171 apportions E side copper capital to services that use copper lines based on volumes weighted by the number of channels used per copper line.
Description	**1. Source Costs and MCE:** This component apportions the capital costs associated with the provision and use of E-side (Exchange) copper cables, which connect an exchange to street cabinets from PG117C (E-side Copper Cable). **2. Cost and MCE Categories:** Predominantly Depreciation (Copper), Supplementary Depreciation, Property Energy Costs, Non-current assets (Copper), Current Assets.
	3. Summary Destination: Predominantly apportions to PSTN and MPF services, predominately SL122 (PSTN Basic Rentals Internal) and WE347 (MPF Rental with SL1 External - A2), within the Openreach residual and WLA markets respectively.
	4. Methodology Taxonomy: Network Data. **5. Driver classification:** Bearer Volumes (CTCS).

CL173

Published component	**SC_CL173 - D side copper capital**
Sub-component	CL173 - D side copper capital
Overview	CL173 apportions D side copper capital to services that use copper lines based on volumes weighted by the number of channels used per copper line.
Description	**1. Source Costs and MCE:** This component apportions the capital costs related to the provision and use of D-side (Distribution) copper cables, which connect street cabinets to distribution points; from PG118C (D-side Copper Cable). **2. Cost and MCE Categories:** Predominantly Depreciation (Copper), Supplementary Depreciation, Wages and Salaries, Non-current assets (Copper).
	3. Summary Destination: Predominantly apportions to PSTN and MPF services, including SL122 (PSTN basic rentals internal), SL151 (PTSN basic rentals external) and WE347 (MPF Rentals with SL1 external), within the Openreach residual and WLA markets respectively.
	4. Methodology Taxonomy: Network Data. **5. Driver classification:** Bearer Volumes (CTCS).

CL174

Published component	**SC_CL174 - D side copper current**
Sub-component	CL174 - D side copper current
Overview	CL174 usage factors are calculated based on the number of channels per line, relative fault rates and service levels of the services to which the component costs and MCE are allocated.
Description	**1. Source Costs and MCE:** This component apportions the operational and maintenance costs associated with the provision and use of D-side (Distribution) copper cables, which connect street cabinets to distribution points, from PG118M (D-side Copper Cable Maintenance) **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Own work capitalised, Other Operating Costs, Non-current assets (RoU, Other Assets), Current Assets, and Current Liabilities.
	3. Summary Destination: Predominantly apportions to PSTN and MPF services, including SL122 (PSTN basic rentals internal) and WE347 (MPF Rental with SL1 external) within the Openreach residual and WLA markets respectively.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Network Feature Service Volumes.

CL175

Published component	**SC_CL175 - Local exchanges general frames equipment**
Sub-component	CL175 - Local exchanges general frames equipment
Overview	CL175 usage factors are calculated based on the number of channels per circuit used by each type of service to which the component costs and MCE are allocated.
Description	**1. Source Costs and MCE:** This component apportions the costs of frame equipment at Local Exchanges from PG217E (Main Distribution Frames Equipment) **2. Cost and MCE Categories:** Predominantly Property & Energy Costs, Non-current assets (Other Assets) and Current Assets.
	3. Summary Destination: Predominantly apportions to MPF and PSTN rental services, including WE347 / WX347 (MPF Rental with SL1) and SL122 (PSTN Basic Rentals) within the WLA and Openreach residual markets respectively.
	4. Methodology Taxonomy: Network Data **5. Driver classification:** Bearer Volumes (CTCS)

CL178

Published component	**SC_CL178 - Dropwire capital & analogue NTE**
Sub-component	CL178 - Dropwire capital & analogue NTE
Overview	CL178 usage factors are calculated based on the usage of dropwire by the services to which the component costs and MCE are allocated.
Description	**1. Source Costs and MCE:** This component apportions the depreciation and capital costs of dropwire from the Distribution Point up to and including the customer Network Terminating Equipment (NTE). **2. Cost and MCE Categories:** Predominantly Depreciation (Copper), Supplementary Depreciation, Wages and Salaries, Non-current assets (Copper), and Current Assets. **3. Summary Destination:** Predominantly apportions to rental services SL122 (PSTN basic rentals internal) and SL151 (PSTN basic rentals external) within the Openreach residual market and WE347 and WX347 (MPF rental with SL1 external) within the WLA markets. **4. Methodology Taxonomy:** Other Misc. **5. Driver classification:** Equipment Costs

CL180

Published component	**SC_CL180 - Analogue line drop maintenance**
Sub-component	CL180 - Analogue line drop maintenance
Overview	CL180 usage factors are calculated based on the number of channels per line, relative fault rates and service levels of the services to which the component costs and MCE are allocated.
Description	**1. Source Costs and MCE:** This component apportions the maintenance costs of residential Dropwire from the Distribution Point up to and including the customer Network Terminating Equipment; from PG122M (Dropwire Maintenance Residential) and PG121M (Dropwire Maintenance Business). **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Own work capitalised, Net indirect labour costs, Non-current assets (RoU), Current Assets, Current Liabilities. **3. Summary Destination:** Predominantly apportions to PSTN and MPF services, including WE347 (MPF rental with SL1 external), WX347 (MPF Rental with SL1 Ext- A3) and SL122 (PSTN basic rentals internal) and , within the WLA and Openreach residual markets respectively. **4. Methodology Taxonomy:** Revenue & Volumes. **5. Driver classification:** Network Feature Service Volumes.

CL182

Published component	**SC_CL182 - Abortive Visits**
Sub-component	CL182 - Abortive Visits
Overview	CL182 usage factors are calculated based on task times for services in the WLA market, and relative volumes of provisions for services in other markets.
Description	**1. Source Costs and MCE:** This component apportions Abortive Visit Charges (AVC) from PG150B. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Own work capitalised, Other Operating Costs, Non-current assets (RoU), Current Assets, and Current Liabilities. **3. Summary Destination:** This component predominantly apportions to Abortive visit services (WX223, WN222, WI222, WE223) within the WLA & Openreach residual markets. **4. Methodology Taxonomy:** Labour. **5. Driver classification:** Labour hours & Labour Rates.

CL590

Published component	SC_CL590 - SLG WLA Ext
Sub-component	CL590 - SLG WLA External
Overview	CL590 captures the costs of Openreach SLGs for WLA External. Usage factors are calculated using the relative total amounts paid in compensation for each product sub group e.g. FTTC rentals, relative price of the individual services and the relative fault rate between SMPF, MPF and NGA services.
Description	**1. Source Costs and MCE:** This component apportions the costs of Openreach Service Level Agreements for Wholesale Local Access (WLA) External, within other non-pay costs such as general support and general management and MCE containing software. **2. Cost and MCE Categories:** Other Operating Costs and Current Assets.
	3. Summary Destination: This component apportions predominantly to GEA services within the WLA market.
	4. Methodology Taxonomy: SLG billing data, Revenue & Volumes. **5. Driver classification:** OR Service Revenue and SLG billing data

CL591

Published component	SC_CL591 - SLG WLA Int
Sub-component	CL591 - SLG WLA Internal
Overview	CL591 captures the costs of Openreach Service Level Agreements for WLA Internal. Usage factors are calculated using the relative total amounts paid in compensation for each product sub group e.g. FTTC rentals, relative price of the individual services and the relative fault rate between SMPF, MPF and NGA services.
Description	**1. Source Costs and MCE:** This component apportions the costs of Openreach Service Level Agreements for Wholesale Local Access (WLA) Internal, within other non-pay costs such as general support and general management and MCE containing software. **2. Cost and MCE Categories:** Other Operating Costs and Current Assets.
	3. Summary Destination: This component predominantly apportions GEA services within the WLA markets.
	4. Methodology Taxonomy: SLG billing data, Revenue & Volumes **5. Driver classification:** OR Service Revenue and SLG billing data

CL601

Published component	SC_CL601 - SLG Ethernet Provision Ext
Sub-component	CL601 - SLG Ethernet Provision External
Overview	CL601 contains SLG costs associated with ethernet provision - external. The usage factors are based on the service average prices.
Description	**1. Source Costs and MCE:** This component apportions SLG costs associated with Ethernet provision, within other non-pay costs such as general support and general management and MCE containing software. **2. Cost and MCE Categories:** Predominantly Current Assets, Non-current assets (Other Assets; Software), Other Operating Costs, and Wages and Salaries.
	3. Summary Destination: This component apportions to multiple Connection services, including SS261, SS161 and SS259, within the the Ethernet markets, predominantly apportions to LLA Area 3, LLA Area 2, LLA HNR, Access CLA, IEC BT Only, IEC BT+1. Also apportions to dark fibre services.
	4. Methodology Taxonomy: Revenue & Volumes **5. Driver classification:** OR & BTW Service Revenue

CL605

Published component	**SC_CL605 - SLG Ethernet Provision Int**
Sub-component	CL605 - SLG Ethernet Provision Internal
Overview	CL605 contains service level guarantee costs associated with ethernet provision - internal. The usage factors are based on the service average prices.
Description	**1. Source Costs and MCE:** This component apportions 'Service Level Guarantee' costs associated with Ethernet provision, within other non-pay costs such as general support and general management and MCE containing software. **2. Cost and MCE Categories:** Other Operating Costs and Current Assets.
	3. Summary Destination: This component apportions to multiple Connection services, including SS262, SS172, SS162, SS272 and SS260, predominately within the Leased Lines Access and Inter-exchange Connectivity markets.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** OR & BTW Service Revenue.

CL612

Published component	**SC_CL612 - IFRS 15 Deferred Revenue Int**
Sub-component	CL612 -IFRS15 Deferred Revenue Internal
Overview	CL612 usage factors are calculated based on the average prices of the services to which the component costs and MCE are allocated.
Description	**1. Source Costs and MCE:** This component apportions other non-pay costs, including general management and deferred revenue associated with IFRS 15. **2. Cost and MCE Categories:** Predominantly Current Liabilities, Non-current assets (Other Assets; Software), Depreciation (Software), Other Operating Costs, and Wages and Salaries.
	3. Summary Destination: This component apportions to multiple IFRS 15 deferred revenue internal services, including SS290, WI980 and WN980, predominantly within the LLA and WLA markets.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver classification:** MCE.

CL613

Published component	**SC_CL612 - IFRS 15 Adjustments**
Sub-component	CL613 - IFRS 15 SLGs Int
Overview	CL613 contains SLG costs associated with IRFS 15. The usage factors are based on the service average prices.
Description	**1. Source Costs and MCE:** This component apportions SLG costs associated with IFRS 15, within other non pay costs such as general support and general management and MCE containing software. **2. Cost and MCE Categories:** Predominantly Other Operating Costs, Non-current assets (Other Assets; Software), and Current Liabilities.
	3. Summary Destination: This component apportions to multiple IFRS 15 and SLG services, predominantly WI982, WN982 and WE983 within the WLA, LLA and Openreach residual markets.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** OR & BTW Service Revenue.

CL614

Published component	**SC_CL612 - IFRS 15 Adjustments**
Sub-component	CL614 - IFRS 15 Deferred Revenue External
Overview	CL614 usage factors are calculated based on the average prices of the services to which the component costs and MCE are allocated.
Description	**1. Source Costs and MCE:** This component apportions other non-pay costs, including general management and deferred revenue associated with IFRS 15. **2. Cost and MCE Categories:** Predominantly Current Liabilities, Non-current assets (Other Assets; Software), Depreciation (Software), Other Operating Costs, and Wages and Salaries. **3. Summary Destination:** This component apportions to multiple IFRS 15 Revenue services, predominantly WE981, SS191, SS291 and WX981 within the WLA and LLA markets. **4. Methodology Taxonomy:** Asset Metrics. **5. Driver classification:** MCE.

CL943

Published component	**SC_CL943 - Cumulo OR**
Sub-component	CL943 - Cumulo - Openreach
Overview	CL943 usage factors are calculated based on the Profit Weighted Net Replacement Costs (PWNRC) for the services to which the component costs and MCE are allocated.
Description	**1. Source Costs and MCE:** This component apportions the costs and MCE relating to Openreach markets from PG943A (Cumulo OR). **2. Cost and MCE Categories:** Predominantly Property Energy Costs, and Current Assets. **3. Summary Destination:** This component apportions to all OR markets, via multiple services including SL122 (PSTN basic rentals), WE347 (MPF rental with SL1), WI305, WE315 and WN305 (FTTP non-40/10 rentals – Internal – A2&3). **4. Methodology Taxonomy:** Asset metrics. **5. Driver classification:** Net replacement cost.

CL954

Published component	**SC_CL954 - Legacy FTTC – Final Drop**
Sub-component	CL954 - Legacy FTTC (Fibre to the Cabinet) – Final Drop
Overview	CL954 usage factors are calculated based on engineering time data.
Description	**1. Source Cost and MCE:** This component apportions the costs for customer site super-fast fibre broadband provision activity. It covers costs for customer site activity to the customer NTE. This includes jumpering activity at the PCP. The usage factors for this component are based on engineering time data. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Own work capitalised, Other Operating Costs, Current Assets, and Non-current assets (Fibre). **3. Summary Destination:** This component apportions to GEA FTTC services (predominately WE339, WE312 and WX339), SOGEA services (including WI354, WE355, WE354 and WX355). **4. Methodology Taxonomy:** Revenue & Volumes. **5. Driver classification:** Volumes.

CL958

Published component	**SC_CL958 - GEA FTTC Provisions**
Sub-component	CL958 - GEA (Generic Ethernet Access) FTTC (Fibre to the Cabinet) Provisions
Overview	CL958 usage factors are calculated based on engineering time data.
Description	**1. Source Costs and MCE:** This component apportions provision costs for the FTTC services. The usage factors for this component are based on engineer time data. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Own Work Capitalised, Product Costs, Other Operating Costs, Current Assets, Current Liabilities, and Non-current assets (RoU, Other Assets).
	3. Summary Destination: This component predominately apportions to SOGEA services (including WI354, WE355, WN354 and WX355), as well as GEA services within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Volumes.

CN619

Published component	**SC_CN619 - Ethernet Backhaul Direct - Active**
Sub-component	CN619 - Ethernet Backhaul Direct - Active
Overview	CN619 usage factors are calculated based on the relative costs of providing transponders for 10Gbit/s services compared to 1Gbit/s services.
Description	**1. Source Costs and MCE:** This component apportions the capital costs associated with transmission electronics between Wavelength Division Multiplexing (WDM) Multi Service Access Node (MSAN) and a Metro Node. (WDM-Metro Link PG899A) In particular this component attributes depreciation associated with switch and transmission and non pay costs as well as non-current assets relating to switch and transmission and land and buildings. **2. Cost and MCE Categories:** Predominantly Depreciation (Electronic), Property Energy Costs, Wages and Salaries, Current Assets, Non-current assets (Electronic; Other Assets).
	3. Summary Destination: This component predominantly apportions to EBD Rental services, including SS721, SS621 and SS821, within the Inter-exchange Connectivity markets.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Connection Service Volumes.

CO445

Published component	**SC_CO445 - Ethernet Monitoring Platform**
Sub-component	CO445 - Ethernet Monitoring Platform
Overview	CO445 usage factors are based on an analysis of the number of management link ports utilised. Service circuits per service volume are multiplied by the number of service ports per circuit.
Description	**1. Source Costs and MCE:** This component apportions non pay - general management costs associated with an Internal Transfer Charge between Openreach and Global Services for an Ethernet Monitoring Platform PG449A and balance sheet receivables. **2. Cost and MCE Categories:** Predominantly Other Operating Costs, and Current Assets.
	3. Summary Destination: This component predominantly apportions to EAD Rental services, including SS230, SS228, SS229, SS227, SS240, within the Leased Lines Access markets and Openreach residual markets.
	4. Methodology Taxonomy: Network Data **5. Driver classification:** Fibre Count by Product (Core Transmission Circuit costing System - CTCS/Oth.)

CO484

Published component	**SC_CO484 - Inter-exchange fibre**
Sub-component	CO484 - Inter-exchange fibre
Overview	CO484 usage factors are calculated for each Inter-exchange market and the market factors are then applied to all relevant services within that market. Market factors are calculated based on the relative length of providing fibre links between BT exchanges in the different markets, which is derived from a study of the fibre infrastructure in different parts of the network. Access markets are given the same factors as Inter markets.
Description	**1. Source costs and MCE:** This component apportions all costs associated with Ethernet main links, mainly depreciation and core transmission non-current assets. Source from Backhaul Fibre PG170B. **2. Cost and MCE categories:** Predominantly Depreciation (Fibre), Wages and Salaries, Current Assets, Current Liabilities, and Non-current Assets (Fibre).
	3. Summary Destination: This component predominantly apportions to EAD main link services, including WI305, WE315, WN305, as well as to FTTP and FTTC, within the WLA and LLA markets.
	4. Methodology Taxonomy: Network Data. **5. Driver classification:** Fibre Lengths (CTCS/LLUMS/Oth.).

CO485

Published component	**SC_CO485 - Ethernet Electronics Current**
Sub-component	CO485 - Ethernet Electronics Current
Overview	CO485 usage factors are calculated based on the unit of measure of the different services to which the component is allocated.
Description	**1. Source Costs and MCE:** This component apportions the Maintenance and Accommodation overheads associated with the rental costs of electronics used to provide Ethernet Access Direct (EAD) services, Wholesale Extension Services (WES), LAN Extension Services (LES), Ethernet services, Backhaul Extension Services (BES), Wholesale and LAN extension services and Optical Ethernet services. This also captures accommodation and network power non-current assets. Allocation is directly from Ethernet Access Equipment PG447A **2. Cost and MCE Categories:** Predominantly Property Energy Costs, Wages and Salaries, Depreciation (Other Assets), Current Assets, Current Liabilities, and Non-current assets (Other Assets).
	3. Summary Destination: This component predominantly apportions to Rental services, including SS230, SS228, SS229, SS227 and SS235, within the Leased Lines Access markets.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Ethernet Service Circuit Volumes.

CO487

Published component	**SC_CO457 Legacy Ethernet – Ethernet electronics**
Sub-component	CO487 - Ethernet Access Direct (EAD) Electronics Capital
Overview	CO487 usage factors are calculated based on the relative price of the electronics used to provide the service.
Description	**1. Source Costs and MCE:** This component apportions private circuits associated with the dedicated equipment for EAD (Ethernet Access Direct) electronics rentals and private circuits related to non-current assets. Allocation is directly from EAD Electronics Capital PG467A **2. Cost and MCE Categories:** Predominantly Depreciation (Electronic), Wages and Salaries, Own work capitalised, Current Assets, Current Liabilities, and Non-current assets (Electronic).
	3. Summary Destination: This component predominantly apportions to Rental services, including SS230, SS228, SS229, SS227, within the Leased Lines Access and Inter-exchange Connectivity markets.
	4. Methodology Taxonomy: Asset Metrics. **5. Driver classification:** Gross Replacement Cost (GRC).

CP501

Published component	**SC_CP502 - Openreach Sales Product Management**
Sub-component	CP501 - Openreach Sales Product Management Equinox Discounts
Overview	CP501 usage factors are calculated using revenue data for discount liabilities
Description	**1. Source Costs and MCE:** This component apportions current liabilities for Openreach Sales Product Management equinox discounts. **2. Cost and MCE Categories**: Predominantly Current Liabilities.
	3. Summary Destination: This component apportions to multiple FTTP services, including WI305, WE315, WN305, WX315, across the WLA Market.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** OR & BTW Service Revenue.

CP502

Published component	**SC_CP502 - Openreach Sales Product Management**
Sub-component	CP502 - Openreach Sales Product Management
Overview	CP502 usage factors are calculated using revenue data to allocate sales and marketing costs
Description	**1. Source Costs and MCE:** This component apportions costs for Openreach Sales Product Management**.** **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Own work capitalised, Current Assets, and Current Liabilities.
	3. Summary Destination: This component apportions to multiple services, including SL122, WI305, WE347, WE315 across the Residual, WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** OR & BTW Service Revenue.

CP503

Published component	**SC_CP502 - Openreach Sales Product Management**
Sub-component	CP503 - Openreach Sales Product Management P112 Discounts
Overview	CP503 usage factors are calculated using revenue data for discount liabilities
Description	**1. Source Costs and MCE**: This component apportions current liabilities for Openreach Sales Product Management P112 discounts **2. Cost and MCE Categories**: Predominantly Current Liabilities
	3. Summary Destination: This component apportions to multiple FTTC and SOGEA services, including WI350, WN350, WE351 and WE310, across the WLA Market.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** OR & BTW Service Revenue.

CT134

Published component	**SC_CT134 - Co-mingling Power & Vent**
Sub-component	CT134 - Co-mingling Power & Vent
Overview	CT134 usage factors are calculated based on the proportional rental volumes of the chargeable items within the services to which the component costs and MCE are allocated.
Description	**1. Source Costs and MCE:** This component apportions the costs (mostly depreciation and pay) and MCE for local loop unbundling power and ventilation. **2. Cost and MCE Categories:** Predominantly Depreciation (Other Assets, RoU), Wages and Salaries, Property Energy Costs, Current Assets, Current Liabilities, Non-current assets (Other Assets, RoU). **3. Summary Destination:** This component predominantly apportions to Co-mingling and Accommodation charge services, including WE207, WE132 and WX132, within the WLA and Shared Ancillaries markets. **4. Methodology Taxonomy:** Revenue & Volumes. **5. Driver classification:** Openreach revenue & volumes.

CW609

Published component	**SC_CW609 - Legacy Ethernet – Spine fibre**
Sub-component	CW609 - Legacy Ethernet – Spine fibre
Overview	CW609 usage factors are calculated based on the usage of total fibres for each service which this component allocates to, based on their overall volumes. Data showing fibre rentals volumes within the UK from INS, which is provided by Openreach Specialists is then mapped into specific geographic markets as necessary for the RFS. Rental volumes provided by Openreach first need to be converted into total volume per circuits by using conversion ratio based on circuit type. Total fibres per service is then determined by aggregating the number of fibres used per circuit based on product type multiplied by overall volumes within the circuit
Description	**1. Source Costs and MCE:** This component apportions the depreciation and access fibre overheads and MCE for fibre providing access from BT Exchange to Customer premises for Ethernet Access Direct (EAD) and Optical Ethernet services. This component also captures access fibre related to non-current assets. This component also includes the cost of duct that the fibre resides in. **2. Cost and MCE Categories:** Predominantly Depreciation (Fibre), Wages and Salaries, Own work capitalised, Current Assets, Current Liabilities, and Non-current Assets (Fibre). **3. Summary Destination:** This component predominantly apportions to Rental services, including SS230, SS228, SS229, SS227 and SS235, within the Leased Lines Access and Openreach residual markets. **4. Methodology Taxonomy:** Network Data. **5. Driver classification:** Fibre Count by Product.

CW610

Published component	**SC_CW610 - Legacy Ethernet – Distribution fibre**
Sub-component	CW610 - Legacy Ethernet – Distribution fibre
Overview	CW610 usage factors are calculated based on the usage of total fibres for each service which this component allocates to, based on their overall volumes. Data showing fibre rentals volumes within the UK from INS, which is provided by Openreach Specialists is then mapped into specific geographic markets as necessary for the RFS. Rental volumes provided by Openreach first need to be converted into total volume per circuits by using conversion ratio based on circuit type. Total fibres per service is then determined by aggregating the number of fibres used per circuit based on product type multiplied by overall volumes within the circuit.
Description	**1. Source Costs and MCE:** This component apportions the depreciation and access fibre overheads and MCE for fibre providing access from BT Exchange to Customer premises for Ethernet Access Direct (EAD) and Optical Ethernet services. This component also captures access fibre related to non-current assets. This component also includes the cost of duct that the fibre resides in. **2. Cost and MCE Categories:** Predominantly Depreciation (Fibre), Wages and Salaries, Own work capitalised, Current Assets, Current Liabilities, and Non-current Assets (Fibre).
	3. Summary Destination: This component predominantly apportions to Rental services, including SS230, SS228, SS229, SS227 and SS235, within the Leased Lines Access and Openreach residual markets.
	4. Methodology Taxonomy: Network Data. **5. Driver classification:** Fibre Count by Product.

CZ325

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ325 - Poles Internal
Overview	CZ325 usage factors are calculated based on the applying the Poles weighting against each internal service. The weightings themselves are based on the volume (either internal/external) against Ofcom's utilization factors from their WFTMR pricing model
Description	**1. Source Costs and MCE:** This component allocates the cost of telegraph poles which are used as distribution points to end users. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Own work capitalised, Net indirect labour costs, Current Assets, Current Liabilities, and Non-current assets (Poles).
	3. Summary Destination: SJ025 (Poles - single-end-user attachment Internal), SJ005 (Poles Internal), SJ026 (Pole top equipment Internal) and SJ027 (Cable up a pole Internal) within the PIA market.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Volumes.

CZ326

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ326 - Poles External
Overview	CZ326 usage factors are calculated based on the applying the Poles weighting against each external service. The weightings themselves are based on the volume (either internal/external) against Ofcom's utilization factors from their WFTMR pricing model
Description	**1. Source Costs and MCE:** This component allocates the cost of telegraph poles which are used as distribution points to end users. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Own work capitalised, Net indirect labour costs, Current Assets, Current Liabilities, and Non-current assets (Poles).
	3. Summary Destination: SJ014 (poles - multi end user attachment external) SJ028 (Poles - single end user attachment external) SJ029 (Pole top equipment External) SJ030 (cable up a pole external) within the PIA market.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Volumes.

CZ331

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ331 - Poles Network Adjustments below Internal
Overview	CZ331 usage factors are calculated based on the applying the Poles weighting against services. The weightings themselves are based on the volume (either internal/external) against Ofcom's utilization factors from their WFTMR pricing model. This is then divided by the service volumes to provide the usage factor
Description	**1. Source Costs and MCE:** This component allocates the costs of internal (work we conduct for when building our own network) poles network adjustments. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Own work capitalised, Depreciation (Fibre), Current Assets, Current Liabilities, and Non-current assets (Fibre, Poles).
	3. Summary Destination: SJ025 (Poles - single-end-user attachment Internal), SJ005 (Poles - multi-end user attachment Internal), SJ026 (Pole top equipment Internal) and SJ027 (Cable up a pole Internal) SJ014 (Poles - multi-end user attachment External), SJ028 (Poles - single-end-user attachment External), SJ029 (Pole top equipment External) and SJ030 (Cable up a pole External) within the PIA market.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Volumes.

CZ332

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ332 - Poles Network Adjustments below External
Overview	CZ332 usage factors are calculated based on the applying the Poles weighting against services. The weightings themselves are based on the volume (either internal/external) against Ofcom's utilization factors from their WFTMR pricing model. This is then divided by the service volumes to provide the usage factor
Description	**1. Source Costs and MCE:** This component allocates the costs of external (work we conduct on behalf of our communication providers) poles network adjustments. **2. Cost and MCE Categories:** Predominantly Current Assets, Non-current Assets (Duct), Non-current Other Assets, Depreciation (Duct), Supplementary Depreciation, and Wages and Salaries.
	3. Summary Destination: SJ025 (Poles - single-end-user attachment Internal), SJ005 (Poles - multi-end user attachment Internal), SJ026 (Pole top equipment Internal) and SJ027 (Cable up a pole Internal), SJ014 (Poles - multi-end user attachment External), SJ028 (Poles - single-end-user attachment External), SJ029 (Pole top equipment External) and SJ030 (Cable up a pole External) within the PIA market.
	4. **Methodology Taxonomy:** Revenue & Volumes. **5. Driver classification:** Volumes.

System Driven Components

Notional Debtors

Published Component	SC_CD900 - Revenue Receivables
Reference	CW900
Description	**1. Source Costs and MCE:** These components capture system generated figures for receivables for the RFS. These receivables are an approximation of the amounts owed to BT, both internal (i.e. for Openreach representing receivables that would be generated if trades between BT's Customer-Facing Units (CFUs) were undertaken to a third party and at arm's length) and external. They are based upon a five year moving median of Openreach's debtor days. Each Openreach service includes a notional debtor based on the calculation of "Revenue / 365 x Debtor Days". **2. Cost and MCE Categories:** Current Assets.
	3. Summary Destination: These components allocate to multiple services within Openreach markets.
	4. Methodology Taxonomy: Other Misc. **5. Driver classification:** Notional Debtors.

Volume Driven Components

Volume driven components have a usage factor of 1, and CP uses this to calculate the apportionment as shown in the below example.

Calculation	Worked Example	Example Results
For each relevant service: $Service_{\chi}$ percentage allocation = Usage Factor * ($Service_{\chi}$ Volume / Total Service Factored Volume)	$Service_1$ = 1 * (100 / 800)	$Service_1$ = 12.5% $\sum Service_{1...n}$ = 100%

The methodology taxonomy and driver classifications are direct.

Calculation steps for these Components are not included in the AMD.

CF187

Published component	**SC_CF187 - MPF Line Testing Systems**
Sub-component	CF187 - MPF Line Testing Systems
Description	**1. Source Costs and MCE:** This component apportions Test Access Management Systems (TAMS) and EvoTAMs costs from PG151B (Broadband Line Testing Equipment (Openreach)
	2. Cost and MCE Categories: Predominantly Non-current assets (Copper; Other Assets), Wages and Salaries and Property & Energy Costs.
	3. Summary Destination: This component apportions to MPF rental services - predominantly WE347 / WX347 (MPF Rental with SL1), within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes **5. Driver classification:** Volumes

CK982

Published component	**SC_CL600 - Other WLA**
Sub-component	CK982 - Openreach Managed Services for Wholesale
Description	**1. Source Costs and MCE:** This component apportions the costs of work completed by Openreach which supports BT Wholesale products, services or activities, mainly relating to the construction of telecoms power plant.
	2. Cost and MCE Categories: Predominantly Current Assets, Non-current assets (Other Assets; Software), Network Operating It Costs, Other Operating Costs, and Wages and Salaries.
	3. Summary Destination: Predominantly WE327 (Other Ancillaries - CPI-0% external A2), WX327 (Other Ancillaries - CPI-0% external A3) as well as WE600 (Other WLA external) within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Openreach revenue & volumes.

CL120

Published component	**SC_CT134 - Co-mingling power & vent**
Sub-component	CL120 - Local Loop Unbundling (LLU) Electricity Usage - OR
Description	**1. Source Costs and MCE:** This component apportions the costs of all LLU related electricity charges. **2. Cost and MCE Categories:** Predominantly Property Energy Costs, Current Assets, Non-current assets (Software).
	3. Summary Destination: This component predominantly apportions to WE120 and WX120 (LLU Electricity Usage Revenue services), as well as other Accommodation Charge services within the Shared Ancillaries market.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Volumes.

CL131

Published component	**SC_CL131 - Co-mingling set up**
Sub-component	CL131 - Co-mingling set up
Description	**1. Source Costs and MCE:** This component apportions the cost of building LLU Hostels within BT Exchanges and costs of carrying out surveys on the buildings. **2. Cost and MCE Categories:** Predominantly Depreciation (Other Assets), Other Operating Costs, Non-current assets (Other Assets), and Current Assets.
	3. Summary Destination: This component predominantly apportions to WE131 (Co-mingling new provides), as well as accommodation charge services within the Shared Ancillaries market and WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Volumes.

CL132

Published component	**SC_CL132 - Co-mingling rentals**
Sub-component	CL132 - Co-mingling rentals
Description	**1. Source Costs and MCE:** This component apportions the direct costs and associated overheads relating to the accommodation of Communication Providers' LLU equipment. **2. Cost and MCE Categories:** Predominantly Depreciation (Other Assets and RoU), Property Energy Costs, Non-current assets (Other Assets), and Current Assets.
	3. Summary Destination: This component predominantly apportions to WE132 and WX132 (Co-mingling rentals), as well as accommodation charge services within the Shared Ancillaries market and WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Volumes (floorspace - square metres).

CL133

Published component	**SC_CL133 - WLA tie cables**
Sub-component	CL133 - WLA tie cables
Description	**1. Source Costs and MCE:** This component apportions planning and installation costs, depreciation and overheads associated with external and Internal LLU Tie Cables that provide access to BT Exchange and access copper network to enable operators, other than BT, to use the BT's local loop to provide services to customers. It facilitates the opening up of BT's copper network to other communication providers (OCP).
	2. Cost and MCE Categories: Predominantly Current Assets, Non-current assets (Copper; Other Assets).
	3. Summary Destination: This component apportions to Tie Cable services, predominantly WI128, WE133 and WN128, within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CL165

Published component	**SC_CW609 - Ethernet Access Direct Fibre**
Title	Ethernet Cable Link
Description	**1. Source Costs and MCE:** This component comprises costs associated with depreciation relating to access fibre and non pay general management costs. This component also comprises of access fibre relating to Non-current assets.
	2. Cost and MCE Categories: Predominantly Current Assets, Non-current assets (Fibre; RoU), and Wages and Salaries.
	3. Summary Destination: Cable link and Bulk Transport Link (BTL) Rental services within the Business Connectivity markets.

CL192

Published component	**SC_CL192 - Legacy FTTC – Tie Cables**
Sub-component	CL192 - Legacy FTTC – Tie Cables
Description	**1. Source Costs and MCE:** This component apportions the capital costs related to the provision and use of NGA E-side Copper cable. Access copper cables connect BT's exchanges to distribution points in the access network and are used to provide voice and broadband services to customers. These cables are categorised as Exchange side (E-side) and Distribution side (D-side) copper. E-side cables connect an exchange to street cabinets and D-side cables connect street cabinets to distribution points.
	2. Cost and MCE Categories: Predominantly Property Energy Costs, Supplementary Depreciation, Depreciation (Copper), Non-current assets (Duct, Copper), and Current Assets.
	3. Summary Destination: This component apportions to GEA services, predominantly WE310, WI350, WX310, WX350 and WE311, as well as SOGEA and G Fast services within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CL195

Published component	**SC_CL195 - NGA Visit Assure**
Sub-component	CL195 - NGA Visit Assure
Description	**1. Source Costs and MCE:** This component apportions the costs and MCE relating to Next Generation Access (NGA) Visit Assure jobs. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Own work capitalised, Other Operating Costs, Non-current assets (RoU), Current assets and Current liabilities.
	3. Summary Destination: This component apportions to NGA visit assure services WI244, WN244, WE245 and WX245, within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Volumes.

CL198

Published component	**SC_CL198 - FTTP Development**
Sub-component	CL198 - FTTP Development
Description	**1. Source Costs and MCE:** This component apportions the development costs for FTTP. **2. Cost and MCE Categories:** Predominantly Depreciation (Software), Non-current assets (Software), Current Assets.
	3. Summary Destination: This component apportions to GEA services, predominantly WI305, WE315, WN305, WX315 and WE316, within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Volumes.

CL574

Published component	**SC_CL574 - OR Service Centre Provision GEA**
Sub-component	CL574 - OR Service Centre - Provision GEA
Description	**1. Source Costs and MCE:** This component apportions the costs of Openreach service management centres that deal with the provision of NGA. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Own work capitalised, Depreciation (RoU), Social Security Costs, Non-current assets (RoU), Current Assets, and Current Liabilities.
	3. Summary Destination: This component predominantly apportions to GEA services (WE316, WI354, WE355, WI306, WE318 and WX318) within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Volumes.

CL579

Published component	**SC_CL579 - Service Centre - Assurance NGA**
Sub-component	CL579 - OR Service Centre - Assurance NGA
Description	**1. Source Costs and MCE:** This component apportions the costs of Openreach service management centres that deal with the repair of NGA services.
	2. Cost and MCE Categories: Predominantly Wages and Salaries, Own work capitalised, Other Operating Costs, Current Assets, Current Liabilities, and Non-current assets (RoU).
	3. Summary Destination: This component predominantly apportions to GEA rental services (WE310, WI305, WE315, WI350, WN305) in the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CL948

Published component	**SC_CL948 - One Fibre Network – Spine fibre**
Sub-component	CL948 - One Fibre Network – Spine fibre
Description	**1. Source Costs and MCE:** This component apportions costs for the provision; installation; recovery; and depreciation of NGA FTTP Access Spine fibre cable i.e. the fibre cables between the Exchange and the aggregation node in the fibre network, as well as the relative costs in providing fibres between BT Exchanges (i.e. WLA Main Link costs), which are derived from a study of the fibre infrastructure network.
	2. Cost and MCE Categories: Predominantly Depreciation (Fibre), Wages and Salaries, Own work capitalised, Current Assets, and Non-current assets (Fibre).
	3. Summary Destination: This component apportions to GEA services, predominantly WI305, as well as WN305, WE315 and WX315 within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CL949

Published component	**SC_CL949 - One Fibre Network – Distribution fibre**
Sub-component	CL949 - One Fibre Network – Distribution fibre
Description	**1. Source Costs and MCE:** This component apportions costs for the provision; installation; recovery; and depreciation of NGA FTTP distribution fibre cable i.e. the fibre cables between the Cabinet and the customer premises.
	2. Cost and MCE Categories: Predominantly Current Assets, Non-current assets (Fibre; RoU), Depreciation (Fibre), Other Pension Costs, and Wages and Salaries.
	3. Summary Destination: This component apportions to GEA services predominantly WI305, as well as to WN305, WE315 and WX315 within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CL950

Published component	**SC_CL950 - Legacy FTTC – Spine Fibre**
Sub-component	CL950 - Legacy FTTC – Spine Fibre
Description	**1. Source Costs and MCE:** This component apportions costs for the provision; installation; recovery; and depreciation of NGA FTTC Access fibre spine cable i.e. the fibre cables between the Exchange and the aggregation node in the fibre network, as well as the relative costs in providing fibres between BT Exchanges (i.e. WLA Main Link costs), which are derived from a study of the fibre infrastructure network. **2. Cost and MCE Categories:** Predominantly Depreciation (Fibre), Wages and Salaries, Own Work Capitalised, Current Assets, and Non-current assets (Fibre).
	3. Summary Destination: This component predominantly apportions to GEA services, including WE310, WI350, WX310 and WN350, as well as to SOGEA and G Fast services within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Volumes.

CL951

Published component	**SC_CL951 - Legacy FTTC – Distribution fibre**
Sub-component	CL951 - Legacy FTTC – Distribution fibre
Description	**1. Source Costs and MCE:** This component apportions costs for the provision; installation; recovery; and depreciation of NGA FTTC distribution fibre cable i.e. the fibre cables between the Cabinet and the aggregation node in the fibre network. **2. Cost and MCE Categories:** Predominantly Depreciation (Fibre), Wages and Salaries, Own Work Capitalised, Current Assets, and Non-current assets (Fibre).
	3. Summary Destination: This component predominantly apportions to GEA services including WX310, WE310, WE311, as well as to SOGEA and G Fast services including WI350 and WN350 within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Volumes.

CL952

Published component	**SC_CL952 - Legacy FTTC – OLT**
Sub-component	CL952 - Legacy FTTC – OLT (Optical Line Terminal)
Description	**1. Source Costs and MCE:** This component apportions the costs of the exchange based electronics required for the delivery of FTTC services. It connects the high-speed digital communications channels from the customer to the backhaul network. **2. Cost and MCE Categories:** Predominantly Depreciation (Electronic), Property Energy Costs, Current Assets, Non-current assets (Electronic; Other Assets).
	3. Summary Destination: This component predominately apportions to GEA services (WX310, WE310 and WE311), as well as to SOGEA (WN350 and WI350) and G Fast services within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Volumes.

CL953

Published component	**SC_CL953 - Legacy FTTC – DSLAM**
Sub-component	CL953 - Legacy FTTC – DSLAM
Description	**1. Source Costs and MCE:** This component apportions the costs of the DSLAM network device required for the delivery of GEA. It connects multiple customer DSL interfaces to a high-speed digital communications channel using multiplexing techniques. **2. Cost and MCE Categories:** Predominantly Depreciation (Fibre), Current Assets, and Non-current assets (Fibre).
	3. Summary Destination: This component predominately apportions to GEA services (WE310, WX310 WE311 and WI300), as well as to SOGEA (WI350 and WN350) and G Fast services within the WLA market.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Volumes.

CL955

Published component	**SC_CL955 - GEA FTTC Repairs**
Sub-component	CL955 - GEA FTTC Repairs
Description	**1. Source Costs and MCE:** This component apportions the reactive repair to the FTTC Networks. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Own work capitalised, Other Operating Costs, Current Assets, Current Liabilities, Non-current assets (Other Assets and RoU).
	3. Summary Destination: This component predominately apportions to GEA services (WE310, WX310 and WE311), as well as to SOGEA and G Fast services within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Volumes.

CL956

Published component	**SC_CL956 - GEA FTTP Repairs**
Sub-component	CL956 - GEA FTTP Repairs
Description	**1. Source Costs and MCE:** This component apportions the reactive repair to the FTTP Networks from PG956B. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Other Pension Costs, Own work capitalised, Current Liabilities, Current Assets, Non-current assets (RoU, Other Assets).
	3. Summary Destination: This component predominately apportions to GEA services (WI305, WN305, WE315 and WX315) within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Volumes.

CL957

Published component	**SC_CL957 - GEA FTTP Provisions**
Sub-component	CL957 - GEA (Generic Ethernet Access) FTTP (Fibre To The Premises) Provisions
Description	**1. Source Costs and MCE:** This component apportions provision costs for the Fibre to the Premises connection services. **2. Cost and MCE Categories:** Predominantly Wages and Salaries, Own work capitalised, Product Costs, Other Operating Costs, Current Assets, Current Liabilities, and Non-current assets (RoU, Other Assets). **3. Summary Destination:** This component predominately apportions to GEA services (WI306, WN306, WE316 and WX316), within the WLA markets. **4. Methodology Taxonomy:** Revenue & Volumes. **5. Driver classification:** Volumes.

CL961

Published component	**SC_CL961 - One Fibre Network – Headend Electronics FTTP**
Sub-component	CL961 - One Fibre Network – Headend Electronics FTTP
Description	**1. Source Costs and MCE:** This component apportions the costs of the exchange-based electronics required for the delivery of FTTP services. It connects the high-speed digital communications channels from the customer to the backhaul network. **2. Cost and MCE Categories:** Predominantly Current Assets, Non-current assets (Electronic; Other Assets), Depreciation (Electronic), and Property Energy Costs. **3. Summary Destination:** This component apportions to GEA services (predominately WI305 and WN305, as well as WE315, WX315 and WI326) within the WLA markets. **4. Methodology Taxonomy:** Revenue & Volumes. **5. Driver classification:** Volumes.

CL963

Published component	**SC_CL963 - One Fibre Network – Final Drop**
Sub-component	CL963 - One Fibre Network – Final drop
Description	**1. Source Costs and MCE:** This component apportions the costs for customer site Ultra-Fast Fibre Broadband provision activity. It covers costs for customer site activity up to the customer NTE. **2. Cost and MCE Categories:** Predominantly Current Assets, Non-current assets (Fibre), Other Operating Costs, Own work capitalised, and Wages and Salaries. **3. Summary Destination:** This component apportions to GEA services (predominately WI306 and WE316, as well WX316 and WN306) within the WLA markets. **4. Methodology Taxonomy:** Revenue & Volumes. **5. Driver classification:** Volumes.

CL990

Published component	**SC_CL990 - FTTP Funded Fibre Rollout Spend**
Sub-component	CL990 - FTTP Funded Fibre Rollout Spend
Description	**1. Source Costs and MCE:** This component apportions the funded region fibre rollout spend for FTTP services.
	2. Cost and MCE Categories: Predominantly Depreciation (Fibre), and Non-current assets (Fibre).
	3. Summary Destination: This component apportions to GEA services (predominately WI305 and WN305, as well as WE315 and WX315) within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CL997

Published component	**SC_CL997 - FTTP Fibre Rollout Funding**
Sub-component	CL997 - FTTP Fibre Rollout Funding
Description	**1. Source Costs and MCE:** This component apportions the funding received in relation to BT's fibre rollout for FTTP services.
	2. Cost and MCE Categories: Predominantly Depreciation (Funded Assets), Current Liabilities, Current Assets, and Non-current assets (Funded Assets).
	3. Summary Destination: This component apportions to GEA services (predominately WI305, WE315, WN305 and WX315) within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CL998

Published component	**SC_CL998 - FTTC Fibre Rollout Funding**
Sub-component	CL998 - FTTC Fibre Rollout Funding
Description	**1. Source Costs and MCE:** This component apportions the funding received in relation to BT's fibre rollout for FTTC services.
	2. Cost and MCE Categories: Predominantly Depreciation (Funded Assets), Current Liabilities, Current Assets, and Non-current assets (Funded Assets).
	3. Summary Destination: This component predominately apportions to GEA services (WE310, WX310, WE311) as well as to SOGEA (WI350 and WN350) and G Fast services within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CL999

Published component	**SC_CL999 - FTTC Funded Fibre Rollout Spend**
Sub-component	CL999 - FTTC Funded Fibre Rollout Spend
Description	**1. Source Costs and MCE:** This component apportions the funded region fibre rollout spend for FTTC services.
	2. Cost and MCE Categories: Predominantly Depreciation (Fibre, Copper), Other Operating Income, Supplementary Depreciation, Non-current Assets (Copper, Duct, Fibre), and Current Liabilities.
	3. Summary Destination: This component predominately apportions to GEA services (WE310, WX310 and WE311), as well as to SOGEA (WI350 and WN350) and G Fast services within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CO457

Published component	**SC_CO457 - Legacy Ethernet – Ethernet electronics**
Sub-component	CO457 - Optical Ethernet Electronics Capital
Description	**1. Source Costs and MCE:** This component apportions depreciation and non-current assets associated with dedicated equipment used for Optical Ethernet electronics rentals.
	2. Cost and MCE Categories: Predominantly Depreciation (Electronic), and Non-current assets (Electronic).
	3. Summary Destination: This component apportions to Optical Rental services (predominantly SS240, SS140, SS639, SS239 and SS639) within the Leased Lines Access and Inter-exchange Connectivity markets.
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CO989

Published component	**SC_CO989 - Special Fault Investigation**
Sub-component	CO989 - Special Fault Investigation
Description	**1. Source Costs and MCE:** This component apportions the costs of Special Fault Investigations (SFI).
	2. Cost and MCE Categories: Predominantly Other Operating Costs, Wages and Salaries, Current Assets, Current Liabilities, and Non-current assets (RoU).
	3. Summary Destination: This component allocates to SFI services (WI481, WE989, WN481 and WX989) within the WLA markets.
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

Direct Allocation Components

Direct Allocation components allocate to a single service, and therefore the allocation is 100%. Calculation steps for these Components are not included in the AMD.

CZ301

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ301 - Spine Duct 1 Internal RAV
Description	**1. Source Costs and MCE:** This component allocates the RAV downstream cost of single bore duct.
	2. Cost and MCE Categories: Predominantly Supplementary Depreciation, and Non-current Assets (Duct).
	3. Summary Destination: SJ006 (Spine Duct Internal RAV service)
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CZ302

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ302 - Spine Duct 2 Internal RAV
Description	**1. Source Costs and MCE:** This component allocates the RAV downstream cost of two bore duct.
	2. Cost and MCE Categories: Predominantly Non-current Assets (Duct), Non-current Other Assets, Non-current Assets (Software), Other CCA Adjustments, and Supplementary Depreciation.
	3. Summary Destination: SJ020 (Spine Duct - 2 Bore Internal RAV).
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CZ303

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ303 - Spine Duct 3+ Internal RAV
Description	**1. Source Costs and MCE:** This component allocates the RAV downstream cost of duct bore of more than 2.
	2. Cost and MCE Categories: Predominantly Supplementary Depreciation, and Non-current Assets (Duct).
	3. Summary Destination: SJ021 (Spine Duct - 3+ Bore Internal RAV)
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CZ304

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ304 - Manholes Internal RAV
Description	**1. Source Costs and MCE:** This component allocates the RAV downstream cost of manholes. **2. Cost and MCE Categories:** Predominantly Supplementary Depreciation, and Non-current Assets (Duct). **3. Summary Destination:** SJ008 (Manholes Internal RAV service). **4. Methodology Taxonomy:** Revenue & Volumes. **5. Driver classification:** Volumes.

CZ305

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ305 - Joint Boxes Internal RAV
Description	**1. Source Costs and MCE:** This component allocates the RAV downstream cost of joint boxes. **2. Cost and MCE Categories:** Predominantly Supplementary Depreciation, and Non-current Assets (Duct). **3. Summary Destination:** SJ009 (Joint Boxes Internal RAV service). **4. Methodology Taxonomy:** Revenue & Volumes. **5. Driver classification:** Volumes.

CZ306

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ306 - Lead Ins Internal RAV
Description	**1. Source Costs and MCE:** This component allocates the RAV downstream cost of lead in duct. **2. Cost and MCE Categories:** Predominantly Non-current Assets (Duct), Non-current Other Assets, Non-current Assets (Software), Other CCA Adjustments, and Supplementary Depreciation. **3. Summary Destination:** SJ007 (Lead in Duct Internal RAV service). **4. Methodology Taxonomy:** Revenue & Volumes. **5. Driver classification:** Volumes.

CZ307

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ307 - Spine Duct 1 External RAV
Description	**1. Source Costs and MCE:** This component allocates the RAV external cost of single bore duct.
	2. Cost and MCE Categories: Predominately Holding Gains/Loss, Other CCA Adjustments, Supplementary depreciation; and Non-current assets (PIA; and Software).
	3. Summary Destination: SJ010
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CZ313

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ313 - Spine Duct 1 Internal
Description	**1. Source Costs and MCE:** This component allocates the cost of single bore duct.
	2. Cost and MCE Categories: Predominantly Supplementary Depreciation, Depreciation (Duct), Holding Gains and Losses, Current Assets, Current Liabilities, and Non-current Assets (Duct).
	3. Summary Destination: SJ001 (Spine Duct Internal service).
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CZ314

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ314 - Spine Duct 2 Internal
Description	**1. Source Costs and MCE:** This component allocates the downstream cost of two bore duct.
	2. Cost and MCE Categories: Predominantly Supplementary Depreciation, Depreciation (Duct), Holding Gains and Losses, Current Assets, Current Liabilities, and Non-current Assets (Duct).
	3. Summary Destination: SJ018 (Spine Duct - 2 Bore Internal service).
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CZ315

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ315 - Spine Duct 3+ Internal
Description	**1. Source Costs and MCE:** This component allocates the cost of duct with more than 2 bore. **2. Cost and MCE Categories:** Predominantly Supplementary Depreciation, Depreciation (Duct), Holding Gains and Losses, Current Assets, Current Liabilities, and Non-current Assets (Duct). **3. Summary Destination:** SJ019 (Spine Duct - 3+ Bore Internal service). **4. Methodology Taxonomy:** Revenue & Volumes. **5. Driver classification:** Volumes.

CZ316

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ316 - Manholes Internal
Description	**1. Source Costs and MCE:** This component allocates the cost of manholes. **2. Cost and MCE Categories:** Predominantly Supplementary Depreciation, Depreciation (Duct), Holding Gains and Losses, Current Assets, Current Liabilities, and Non-current Assets (Duct). **3. Summary Destination:** SJ003 (Manholes Internal service). **4. Methodology Taxonomy:** Revenue & Volumes. **5. Driver classification:** Volumes.

CZ317

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ317 - Joint Boxes Internal
Description	**1. Source Costs and MCE:** This component allocates the cost of joint boxes. **2. Cost and MCE Categories:** Predominantly Supplementary Depreciation, Depreciation (Duct), Holding Gains and Losses, Current Assets, Current Liabilities, and Non-current Assets (Duct). **3. Summary Destination:** SJ004 (Joint Boxes Internal service). **4. Methodology Taxonomy:** Revenue & Volumes. **5. Driver classification:** Volumes.

CZ318

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ318 - Lead Ins Internal
Description	**1. Source Costs and MCE:** This component allocates the cost of lead in duct.
	2. Cost and MCE Categories: Predominantly Supplementary Depreciation, Depreciation (Duct), Holding Gains and Losses, Current Assets, Current Liabilities, and Non-current Assets (Duct).
	3. Summary Destination: SJ002 (Lead in Duct Internal service).
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CZ319

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ319 - Spine Duct 1 External
Description	**1. Source Costs and MCE:** This component allocates the external cost of single bore duct.
	2. Cost and MCE Categories: Predominantly Supplementary Depreciation, Depreciation (Duct), Holding Gains and Losses, Current Assets, Current Liabilities, and Non-current Assets (Duct).
	3. Summary Destination: SJ010 (Spine Duct - 1 Bore External)
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CZ320

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ322 - Spine Duct 2 External
Description	**1. Source Costs and MCE:** This component allocates the external cost of two bore duct.
	2. Cost and MCE Categories: Predominately Holding Gains/Loss, Other CCA Adjustments, Supplementary depreciation; and Non-current assets (PIA; and Software).
	3. Summary Destination: SJ022 (Spine Duct - 2 Bore External).
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CZ321

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ321 - Spine Duct 3+ External
Description	**1. Source Costs and MCE:** This component allocates the downstream cost of duct with more than 2 bore.
	2. Cost and MCE Categories: Predominantly Current Assets, Non-current Assets (Duct), Non-current Other Assets, Depreciation (Duct), Supplementary Depreciation, and Wages and Salaries.
	3. Summary Destination: SJ024 (Spine Duct - 3+ Bore External).
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CZ322

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ322 - Manholes External
Title	Manholes External
Description	**1. Source Costs and MCE:** This component allocates the external cost of manholes.
	2. Cost and MCE Categories: Predominantly Current Assets, Non-current Assets (Duct), Non-current Other Assets, Depreciation (Duct), Supplementary Depreciation, and Wages and Salaries.
	3. Summary Destination: SJ012 (Manholes Rental External service).
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CZ323

Published component	**SC_CZ300Y - PIA Costs**
Sub-component	CZ323 - Joint Boxes External
Description	**1. Source Costs and MCE:** This component allocates the external cost of joint boxes.
	2. Cost and MCE Categories: Predominantly Current Assets, Non-current Assets (Duct), Non-current Other Assets, Depreciation (Duct), Supplementary Depreciation, and Wages and Salaries.
	3. Summary Destination: SJ013 (Joint Boxes Rental External service).
	4. Methodology Taxonomy: Revenue & Volumes.
	5. Driver classification: Volumes.

CZ324

Published component	SC_CZ300Y - PIA Costs
Sub-component	CZ324 - Lead Ins External
Description	**1. Source Costs and MCE:** This component allocates the external cost of lead ins. **2. Cost and MCE Categories:** Predominantly Current Assets, Non-current Assets (Duct), Non-current Other Assets, Depreciation (Duct), Supplementary Depreciation, and Wages and Salaries.
	3. Summary Destination: SJ011 (Lead in Duct Rental External).
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Volumes.

CZ327

Published component	CZ327
Sub-component	SC_CZ300X - PIA Downstream Assets
Description	**1. Source Costs and MCE:** Depreciation and non-current assets. **2. Cost and MCE Categories:** Predominantly Depreciation (Duct), and Current Assets.
	3. Summary Destination: SJ016 (Duct Network Adjustments above financial limit Internal), within the PIA market.
	4. Methodology Taxonomy: Revenue & Volumes. **5. Driver classification:** Volumes.

5.7 Revenue

Overview

This section sets out the methodology for calculating the revenue, volume and prices for services. Revenues within the RFS are presented net of relevant discounts.

The following sections relate to Openreach services in each of the markets listed below:

5.7.1 Physical Infrastructure (PI) market

5.7.2 Wholesale Local Access (WLA) markets:

- WLA area 2
- WLA area 3
- Shared Ancillaries

5.7.3 Leased Lines Access (LLA) and Inter-exchange Connectivity (IEC) markets

- LLA area 2
- LLA area 3
- LLA high network reach
- IEC BT only
- IEC BT +1 exchanges

The following sections relate to services in each of the RoBT markets listed below:

5.7.4 Wholesale Call Termination (WCT)

5.7.5 Time Division Multiplex (TDM) Interconnection

5.7.6 Internet Protocol (IP) Interconnection

Calculation steps for revenue are included in: Annex nine: 5.3 Revenue.

5.7.1 Physical Infrastructure (PI) Market - External Revenue Only

Title	Physical Infrastructure - External Revenue
Overview	This entry details the methodology for attributing revenue for physical infrastructure available to Communication providers (CPs), which facilitates the provision of network access and services to be provided to the end customer. The infrastructure is comprised of two main areas, underground duct and telegraph poles, which are used to carry cables used by a variety of different services within different downstream markets, such as WLA.
Description	**1. Summary Calculation:** Revenues and volumes by product are obtained from PIA billing data and mapped to PIA services.
	2. Summary Destination: All PIA related external services
	3. Methodology Taxonomy: N/A **4. Driver classification:** N/A
	5. Data Source Summary: The PIA Revenue Submission is provided by Openreach and records the revenues and volumes for PIA products.
Data Sources	PIA Revenue Submission: Revenue & Volumes - PIA revenue and volumes

5.7.2 Wholesale Local Access (WLA) Market

Title	Wholesale Local Access Revenue
Overview	This entry details the methodology for attributing revenue for copper and fibre fixed lines connecting end-users to access nodes in BT exchanges. These lines are used by CPs to provide telephone and broadband (BB) internet services (including superfast broadband) to residential and business consumers.
Description	**1. Summary Calculation:** Revenues and volumes by product are obtained from monthly ARC data and mapped to WLA services. In some cases, additional adjustments are made to the ARC data, which are detailed in the Annex.
	2. Summary Destination: All WLA related services
	3. Methodology Taxonomy: N/A **4. Driver classification:** N/A
	5. Data Source Summary: ARC data is downloaded from IOTA (External Revenue) and iCAT (Internal Revenue) systems, and records the monthly revenues and volumes for Openreach products.
Data Sources	ARC Data : Revenue & Volumes Volume Data Cube: Revenue & Volumes Openreach Price List: Revenue & Volumes iCAT Billing Data: Revenue & Volumes IOTA Billing Data: Revenue & Volumes

5.7.3 Leased Lines Access and Inter-exchange Connectivity markets

The Leased Lines Access and Inter-exchange Connectivity markets cover the provision of dedicated connections, known as leased lines, which provide transmission capacity between end-user business sites, or other operators' networks, and BT exchanges. There are two separate product markets; (1) Leased Lines Access (LLA) which provides a dedicated single link service from an end-user business site to a point of aggregation at a BT exchange and (2) Inter-exchange Connectivity Connectivity (IEC) which represents trunk segments carrying aggregated capacity between BT exchanges.

Leased Lines Access - Area 2: covers postcode sectors in which there is, or is likely to be, competition to BT in the deployment of competing networks.

Leased Lines Access - Area 3: covers postcode sectors in which there is not, or is unlikely to be, competition to BT in the deployment of competing networks.

Leased Lines Access - High Network Reach (HNR): covers postcode sectors where there are two or more rival networks to BT in the provision of leased lines (excluding the Central London Area (CLA) where BT are not determined to have SMP).

IEC - BT only: relates to BT exchanges where only BT operate.

IEC - BT +1: relates to BT exchanges where BT + one other CP currently operate.

Rentals volumes are reported as the average number of circuits throughout the year.

Main Link volumes are calculated as the radial kilometers between each end, in line with how the services are charged. Reported in the RFS is the average Main Link distance on this basis throughout the year.

Connections volumes are reported as the gross connections throughout the year.

Circuits within these market may span multiple geographic markets, for example an IEC circuit may start in a postcode classified as IEC - BT only and end in one classified as IEC BT +1. In cases such as these BT have classified the service within the least competitive geographic market (IEC - BT only in the example above). This is outlined in the below matrix for clarity.

Inter-exchange Connectivity		Start Exchange 'A'			
		BT Only	**BT +1**	**BT +2**	**N/A**
End Exchange 'B'	**BT Only**	BT Only	BT Only	BT Only	BT Only
	BT +1	BT Only	BT+1	BT+1	BT+1
	BT +2	BT Only	BT+1	BT+2	BT+2
	N/A	BT Only	BT+1	BT+2	BT Only

Title	Leased Lines Access and Inter-exchange Connectivity Revenue
Overview	This entry details the methodology for attributing revenue relating to the provision of dedicated connections (leased lines) between end-user business sites, or other operators' networks, and BT exchanges.
Description	**1. Summary Calculation:** Volumes for connections and rentals by market are used to determine the revenue by multiplying volume by price for each product. Main Link Revenue for rentals is calculated by multiplying total main link lengths by the price per metre.
	2. **Summary Destination**: All Ethernet related services
	3. Methodology Taxonomy: N/A **4. Driver classification:** N/A
	5. Data Source Summary: Connection and rental volumes and Main Link lengths are obtained from ORBIT. Additional Ethernet volumes from ARC.
Data Sources	ORBIT (Openreach Business Information Toolset): Ethernet Volumes ARC Data (IOTA and iCAT): Ethernet Revenue & Volumes Prices: Openreach Price List DataLabs: OSA Discounts

5.7.4 WCT

Title	Wholesale Call Termination Revenue
Overview	This entry details the methodology for attributing revenue for voice calls that terminate on a BT public switched telephone network (PSTN) line.
Description	**1. Source Costs and MCE:** Volumes for Geographic call termination are used to determine the revenue by multiplying volume and price for each service
	2. Summary Destination: All WCT services
	3. Methodology Taxonomy: N/A **4. Driver classification:** N/A
	5. Data Source Summary: Wholesale call volumes from INCA
Data Sources	Volumes: INCA (Inter-network Call Accounting System) Prices: Openreach Price List

5.7.5 TDM Interconnection

Title	Time Dimension Multiplexing Interconnection Revenue
Overview	This entry details the methodology for attributing revenue for the physical infrastructure that enables a CP's network to interconnect with BT's public switched telephone network (PSTN) at the Digital Local Exchange.
Description	**1. Source Costs and MCE:** Volumes for connections and rentals are used to determine the revenue by multiplying volume and price for each service
	2. Summary Destination: All TDM services
	3. Methodology Taxonomy: N/A **4. Driver classification:** N/A
	5. Data Source Summary: Interconnect Private Circuit volumes from GENIUS
Data Sources	Circuit information: GENIUS Prices: Openreach Price List

5.7.6 IP Interconnection

As part of the WVMR for call services from April 2021 to March 2026, Ofcom have decided to move the focus of regulation from traditional to more modern interconnection and therefore, regulate IP Interconnection. This section sets out the methodology for allocating cost and revenue for IP Interconnection.

Revenue and volumes are obtained from billing data for set up and interoperability charges.

There is no charge for regulated ports and no costs for regulated ports therefore, no revenue or total costs to report. The volumes are based on contract billing information which is an average number of ports used per annum.

Costs for set up and interoperability charges are based off an estimate of the labour time required multiplied by the labour rate provided by business and technology. The overhead costs are calculated by taking all Plant Groups related to IP interconnect and calculating non-pay costs over their pay costs. This percentage is then multiplied to calculate the total overhead costs. The overhead and labour rate added together provides the total cost.

Title	IP Interconnection Revenue
Overview	This relates to three published services; set up, interoperability testing and port charges revenue and volumes
Description	**1. Source Costs and MCE:** This uses billing data to calculate the revenue and volumes **2. Cost and MCE Categories:** RoBT OPEX
	3. Summary Destination: This data is used for set up, interoperability testing and port charges revenue and volumes
	4. Methodology Taxonomy: Revenue and Volumes **5. Driver classification:** IP Interconnection Revenue and Volumes
	6. Data Source Summary: Business volumes and charges
Data Sources	Asset metrics: Set up, Interoperability Testing and Port volumes and charges data from GENIUS. AZTEC used to calculate the WCT traffic for ports.

Title	IP Interconnection Costs
Overview	This relates to three published services; set up, interoperability testing and port charges costs
Description	**1. Source Costs and MCE:** This uses billing data to calculate the volumes, costs are calculated from labour and overheads. **2. Cost and MCE Categories:** RoBT OPEX
	3. Summary Destination: This data is used for set up, interoperability testing and port costs
	4. Methodology Taxonomy: Costs **5. Driver classification:** IP Interconnection Costs
	6. Data Source Summary: Business and technology volumes and charges
Data Sources	Asset metrics: Set up, Interoperability Testing and Port volumes data from GENIUS. AZTEC used to calculate the WCT traffic for ports.

6. Physical Infrastructure Access Recharge

6.1 Overview

As part of the July 2019 Regulatory Financial Reporting requirements, Ofcom directed the costs and MCE of Duct and Pole assets to be included within a separate PIA market. This section sets out the methodology for allocating cost and MCE of the internal PIA services.

A charge to the RoBT from Openreach is made for the use of duct and poles by cable in the core network. FAC is recharged from the PIA market to services which utilise duct and pole assets, via specific PIA components. Internal revenue equal to this recharge is recognised within the PIA market. The charge is only made for the purposes of the RFS and is included in 'other trading differences' within the RFS.

PIA duct recharges to legacy PGs are split between Access, Backhaul and Core duct.

Access Duct recharges are apportioned to specific Plant Groups set-up for the different types of access cables:

1. First, Access Duct recharges are split between copper cables, fibre cables and inter-exchange (fibre) cables, based on the 1997 Absolute Duct Study. We update these GRCs on an annual basis by adding the annual spend on duct built for access copper cables and duct built for access fibre cables, and applying an RPI index.
2. The RAV adjustment element of the recharge is attributed on a separate basis to the main recharge and is not attributed to BDUK funded access cable or to inter-exchange cable, as the RAV adjustment relates to duct installed prior to the 1st of August 1997 whereas all BDUK funded activity has occurred subsequent to this date.
3. Access Fibre Duct recharges are then split between Spine and Distribution fibre, in proportion to relative depreciation for the relevant access fibre CoWs.
4. Spine and Distribution fibre are then further split to FTTP, FTTC and Non-NGA in line with the relevant Base Allocations (PDTLFSC-Q and PDTLFDC-Q)
5. Access Copper Duct recharges are split between E-Side, D-Side and LLU copper Plant Groups in proportion to the depreciation arising from capital spend for duct built for E-side (CoW LMD) and D-Side (CoW LDD).
6. No duct recharge is attributed to copper drop wire.
7. No poles recharge is attributed to E-side copper cable.

Backhaul duct recharges are allocated directly to PG170B (Openreach Backhaul Fibre).

Core duct recharges are allocated directly to PG350N (Wholesale Inner Core Fibre).

Access Poles recharge apportionment:

1. Poles GRC% driven from Poles Investment data
2. Access Fibre Spine NGA is initially split proportionally to GRC of Poles Investment. This is then proportionally split in relation to FTTC / FTTP in relation to existing PG allocation.
3. Distribution NGA is initially split proportionally to GRC of Poles Investment. This is then proportionally split in relation to FTTC / FTTP in relation to existing PG allocation.
4. Access Fibre non-NGA, Distribution Non-NGA, Copper Cable, Copper and Analogue drop is split in proportion to GRC of Poles Investment
5. BDUK FTTC is initially split proportionally to GRC of Poles Investment. This is then proportionally split in relation to FTTC / FTTP.
6. BDUK FTTP is initially split proportionally to GRC of Poles Investment. This is then proportionally split in relation to FTTC / FTTP.

Title	PIA recharge components and services - see Annex eight: Components for Physical Infrastructure Access recharge
Overview	The PIA recharge first apportions costs between the legacy duct PGs, in line with the GRC of each PG. These costs are then allocated to downstream services in line with the allocation of legacy PGs and components, the methodologies for which are detailed on their own AMD pages.
Description	**1. Source Costs and MCE:** Depreciation and asset values associated with PIA assets, including duct and poles. **2. Cost and MCE Categories:** Depreciation (PIA), Non-current assets (PIA).
	3. Summary Destination: Services within downstream markets, including WLA, Business Connectivity and Narrowband Markets.
	4. Methodology Taxonomy: Asset metrics. **5. Driver classification:** PIA component volumes.
	6. Data Source Summary: Openreach duct and pole volumes, recorded in km or units.
Data Sources	Asset metrics: PIA component volumes (PIPeR; and Artisan).

Excessive Construction Charges (ECCs) related to PIA Duct

Some ECCs fund the construction of duct. The impact of ECC Duct decapitalisation is therefore accounted for within the PIA market. See PG005Y and PG006X for details on the PGs.

7. CCA valuation methodologies

7.1 Overview

This section describes the specific CCA methodologies applied to Non-current assets within the RFS (see Section 3.2.1 'Principles of Valuation of Non-Current Assets' for further details on CCA Policies).

An annual review of assets is carried out to ensure the correct valuation methodology is applied. We apply CCA to asset groups that generally have a high NBV, long asset life and where attributions to regulated markets are material, or where Ofcom has directed us to do so.

The table below describes the assets that we apply CCA to and explains what indices we apply to each asset:

Asset Description	Lead CoW	CCA Method Applied	Indices Used	Sources
Copper Dropwires	NWB & NWR	Indexed Historic	RPI	Physical assets & capitalised planning costs
Backhaul, Core and Access Duct	LDD	Indexed Historic & RAV	RPI	Physical assets & capitalised planning costs
Main Duct	LMD	Indexed Historic & RAV	RPI	Physical assets & capitalised planning costs
Access Copper Cable	LDC	Indexed Historic	RPI	Physical assets & capitalised planning costs
Construction, Local/ Main Exchange-side Cable	LMC	Indexed Historic	RPI	Physical assets & capitalised planning costs
Provision of Poles	POLES	Indexed Historic	RPI	Physical assets & capitalised planning costs

We use the following Office for National Statistics (ONS) indices in our Indexation Methodologies: RPI: Percentage change over 12 months.

Other remaining non-current assets are valued at historical cost and do not have CCA applied, for the following reasons:

- that have a low NBV;
- that have short asset lives;
- that are virtually fully depreciated;
- that are newly acquired;
- where attributions to Regulated markets is immaterial; or
- that Ofcom have directed us to treat as Historic Cost.

There will be little impact on the regulatory financial statements as a result of the difference between their historical and current replacement costs.

7.2 Indexed Historic

This method applies RPI sourced from the Office for National Statistics website to Fixed Asset Register Gross Book Values and Accumulated Depreciation Values. By doing this, the assets can be valued at their current replacement costs. By applying the indices, the Gross Replacement Cost and Current Cost Accumulated Depreciation can be derived.

This is an appropriate method when there has been little technological change in the asset category and all the direct costs associated with bringing the asset into service would be incurred if it were to be replaced today. It also requires the production of an appropriate index. Net replacement cost is derived using indexation of the historical net book values.

Holding Gain/Loss GRC

#	Summary	Calculation	Worked Example	Example Results
1	Identify GRC Opening Balance and apply Index	Closing Prior Year (PY) Gross Replacement Cost (GRC) * INDEX	1000 * 5%	50
2	Identify CY HCA GBV movements and apply half-year Index	((HCA Gross Book Value Movements) * Half Year (HY) INDEX	40 * 2.5%	1
		Total Holding Gain/Loss GRC = 1+2		**51**

Holding Gain/Loss CCAD

#	Summary	Calculation	Worked Example	Example Results
1	Identify CCAD Opening Balance and apply Index	Closing Prior Year (PY) CCAD * INDEX	-800 * 5%	-40
2	Identify CY HCA AHD movements plus Supplementary Depreciation * Half Year (HY) INDEX	(HCA AHD Movements + Supplementary Depreciation) * Half Year (HY) INDEX	(-10 + -39) * 2.5%	-1
		Total Holding Gain/Loss CCAD = 1+2		**-41**

Supplementary Depreciation

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1		Calculate yearly depreciation	If asset not FDA or asset registered in CY then: • (GBV/Asset Life in Months/12)	115,200 / 48/12	200
2	231.2.A	Calculate FAR CCA Depreciation	Index calculated FAR Depreciation: • (FAR Depn)*(Current Index/Index as Asset Start))	200*(522 1.82/353 9.38)	295
3	231.3.B	Calculate the Supplementary Depreciation in year	FAR CCA Depreciation – FAR Depreciation	295-200	95
			Total Supplementary Depreciation		**95**

Balance Sheet Opening GRC

#	Summary	Calculation	Worked Example	Example Results
1	Calculate the difference between Opening GRC and GBV	Opening GRC-HCA GBV Opening Balance	1000-190	810
		Total Balance Sheet Opening GRC		**810**

Balance Sheet Opening CCAD

#	Summary	Calculation	Worked Example	Example Results
1	Calculate the difference between the CCAD and HCA AD	Opening CCAD-HCA AHD Opening Balance	-800 - (-60)	-740
		Total Balance Sheet Opening CCAD		**-740**

Other CCA - GRC

#	Summary	Calculation	Worked Example	Example Results
1	Calculate the Other GRC Balance	CCA Uplift GRC – Balance Sheet GRC Opening – Holding Gain/Loss GRC	820 – 810 – 10	0
		Total Other CCA - GRC		**0**

Other CCA - CCAD

#	Summary	Calculation	Worked Example	Example Results
1	Calculate the Other CCAD Balance	Adjusted NRC Movement – Supplementary Depreciation – Holding Gain/Loss CCAD – Other CCA GRC	-20 - -39 – 10 - 0	9
		Total Other CCA - CCAD		**9**

CCA Uplift - GRC

#	Summary	Calculation	Worked Example	Example Results
1	Calculate the CY movement in GRC	Closing GRC-HCA GBV Closing Balance	1050 - 230	820
		Total GRC Uplift		**820**

CCA Uplift - CCAD

#	Summary	Calculation	Worked Example	Example Results
1	Calculate the CY movement in CCAD	Closing CCAD-HCA AHD Closing Balance	-840 - -70	-770
		Total CCA Direct Closing - CCAD		**-770**

P&L Postings

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	231.3.B	Holding Gain GRC - P&L	-(Holding Gain GRC)	-(51)	51
2	231.3.B	Holding Gain CCAD - P&L	-(Holding Gain CCAD)	-(41)	41
3	231.3.B	SuppD - P&L	-(Supplementary Depreciation)	-(95)	95
4	231.3.B	Other CCA - GRC - P&L	-(Other CCA GRC)	-(0)	0
5	231.3.B	Other CCA - CCAD - P&L	-(Other CCA CCAD)	(9)	-9

7.3 Regulatory Asset Value (RAV)

Ofcom have directed us to value duct used by access cables using a prescribed RAV methodology. Duct built up to 31 Jul 1997 (pre-97) is at HCA but indexed using RPI from 1 Apr 2005. Duct built after 31 Jul 1997 (post 97) is at 'CCA' meaning that RPI is applied from the date of purchase/installation/go live/registration. The valuation of duct built after Mar 31 2001 is calculated by applying the index each year from the date the asset was registered, as per the standard duct valuation.

The valuation of duct is calculated using an indexed historic method. To calculate an absolute valuation for an asset of the size and complexity of the duct network would require a number of significant assumptions and estimates leading to volatility in the RFS. RPI has been agreed with Ofcom as the most the appropriate index for this asset (including Capitalised Planning costs).

The RAV adjustment (step 5) is allocated to PG100D (Duct RAV) used by Access Cables so that cost pool contains that original CCA valuation and the RAV adjustment to be equivalent to the RAV valuation for duct used by access cables. The access percentage used in the RAV adjustment is the same as that used to attribute the recharge for duct to access markets.

The Supplementary Depreciation, GRC Price Holding Gain/Loss, CCAD Price Holding Gain/Loss, CCA GRC Direct Closing and CCAD Direct Closing calculations vary to the indexed historic method. All other calculations remain the same.

Below is a high level example of how the RAV methodology is applied to the GRC Price Holding Gain/Loss. This has been simplified to describe the approach taken and does not encompass the complete workings.

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	18.3A.8	Calculate the percentage of duct used by access cables	YTD Depreciation for Access Cable Duct / YTD Depreciation for Total Duct	165 / 210	79%
2	231.3.B	Calculate GRC Price Holding Gain/Loss using the Indexed Historic Method	Same calculations followed as Indexed Historic method.	400	400
3	231.3.B	Calculate Regulatory Asset Valuation for duct for GRC Price Holding Gain/Loss	Access duct capitalised prior to 1 August 1997 is valued based on the closing historical cost at the 2004/2005 financial year-end (i.e. 31 March 2005) and indexed by RPI from that date.	300	300
4	231.3.C	Calculate the difference between the Indexed Historic method and the RAV method.	RAV GRC Price Holding Gain/Loss - Indexed Historic GRC Price Holding Gain/Loss	300 - 400	-100
5	231.3.C	We are only required to apply the RAV methodology to duct used by access cables. Calculate RAV adjustment by applying the percentage of duct used by access cables, taken from Step 1.	Output from Step 4 * Output from Step 1	-100 * 79%	-79

8. Transfer charges

Transfer charges are the mechanism by which we ensure the profitability of each CFU/CU is correctly reported.

Transfer charges may arise where a CFU/CU trades with another CFU/CU. For example where Business purchases services from Openreach, and sells onward to an external customer, to ensure sales and costs are recognised in the correct CFU a transfer charge will be recognised in Openreach and Business's books. Transfer charges may also occur where Group purchases are made centrally and then billed to CFU/CUs for example for insurance costs.

8.1 Transfer charges which impact regulated markets

For the cost attribution process, the transfer charge (out) amounts are recognised in RoBT and the underlying cost of the transfer charge (transfer in) is attributed on a cost-causal basis, for example:

- Xian: Managed services - the underlying costs are attributed using PDTEMP-Q base.
- Fleet rental charges - the underlying costs are attributed using AG101 and AG415.

The Annexes

Annex one: Detailed attribution tables

Detailed attribution tables are published separately on our website, showing:

- All material Direct Allocations;
- The linkages of all detailed valuation methodology asset categories to their associated AGs and PGs, and the sectors into which they have been categorised; and
- The key destination of each of the system generated other apportionment bases, AGs and PGs.

Annex two: Network Lists and Component Diagrams

Introduction:

In accordance with Volume 7 of the WFTMR 2021-26 we have produced a list of Network Components used within the Regulatory Accounting System and a description of each Network Component. Network Diagrams have also been produced to show to which part of the network each Component relates.

Network Component List:

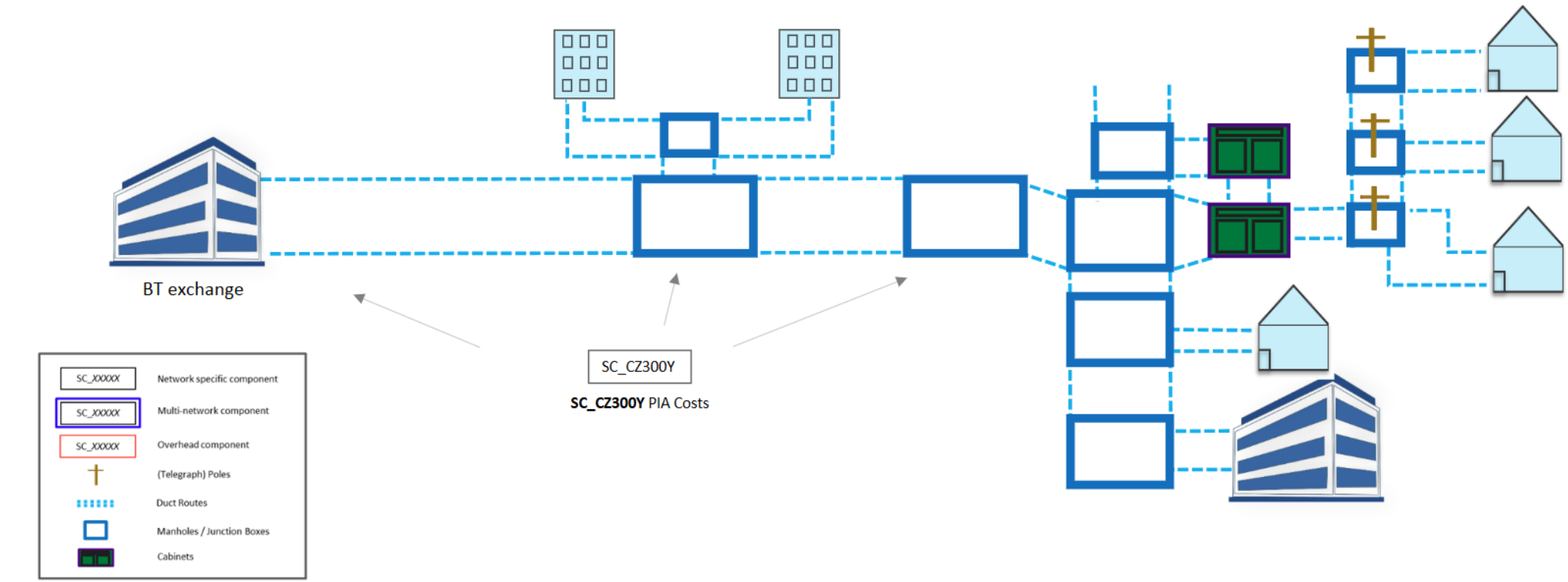
Component Code	Component Description	AMD Reference
SC_CD900	Revenue Receivables	5.6 Components - System Driven
SC_CE106	Ethernet Excess Construction Capex	5.6 Components - Methodology Driven
SC_CF187	MPF line testing systems	5.6 Components - Volume Driven
SC_CJ001	PIA Transfer charge	Not included in published AMD based on materiality
SC_CK981	Regulated Time Related Charges	5.6 Components - Methodology Driven
SC_CL131	Co-mingling set up	5.6 Components - Volume Driven
SC_CL132	Co-mingling rentals	5.6 Components - Volume Driven
SC_CL133	WLA tie cables	5.6 Components - Volume Driven
SC_CL160	Routeing & Records	5.6 Components - Methodology Driven
SC_CL161	MDF Hardware jumpering	5.6 Components - Methodology Driven
SC_CL171	E side copper capital	5.6 Components - Methodology Driven
SC_CL172	E side copper current	Not included in published AMD based on materiality
SC_CL173	D side copper capital	5.6 Components - Methodology Driven
SC_CL174	D side copper current	5.6 Components - Methodology Driven
SC_CL175	Local exchanges general frames equipment	5.6 Components - Methodology Driven
SC_CL176	Local exchanges general frames maintenance	Not included in published AMD based on materiality
SC_CL178	Dropwire capital & analogue NTE	5.6 Components - Methodology Driven
SC_CL180	Analogue line drop maintenance	5.6 Components - Methodology Driven
SC_CL182	Abortive Visits	5.6 Components - Methodology Driven
SC_CL192	Legacy FTTC – Tie Cable	5.6 Components - Volume Driven
SC_CL193	Expedite Provision Costs	Not included in published AMD based on materiality
SC_CL195	NGA Visit Assure	5.6 Components - Volume Driven
SC_CL197	FTTC Development	Not included in published AMD based on materiality
SC_CL198	FTTP Development	5.6 Components - Volume Driven
SC_CL572	OR Service Centre - Provision WLA	Not included in published AMD based on materiality
SC_CL573	OR Service Centre Provision Ethernet	Not included in published AMD based on materiality

Component Code	Component Description	AMD Reference
SC_CL574	OR Service Centre - Provision GEA	5.6 Components - Volume Driven
SC_CL577	OR Service Centre - Assurance WLA	Not included in published AMD based on materiality
SC_CL579	Service Centre - Assurance NGA	5.6 Components - Volume Driven
SC_CL590	SLG WLA Ext	5.6 Components - Methodology Driven
SC_CL591	SLG WLA Int	5.6 Components - Methodology Driven
SC_CL600	Other WLA	Not included in published AMD based on materiality
SC_CL601	SLG Ethernet Provision Ext	5.6 Components - Methodology Driven
SC_CL602	SLG Ethernet Assurance Ext	Not included in published AMD based on materiality
SC_CL605	SLG Ethernet Provision Int	5.6 Components - Methodology Driven
SC_CL606	SLG Ethernet Assurance Int	Not included in published AMD based on materiality
SC_CL612	IFRS 15 Adjustments	5.6 Components - Methodology & Volume Driven
SC_CL943	Cumulo OR	5.6 Components - Methodology Driven
SC_CL948	One Fibre Network - Spine fibre	5.6 Components - Volume Driven
SC_CL949	One Fibre Network - Distribution fibre	5.6 Components - Volume Driven
SC_CL950	Legacy FTTC - Spine fibre	5.6 Components - Volume Driven
SC_CL951	Legacy FTTC - Distribution fibre	5.6 Components - Volume Driven
SC_CL952	Legacy FTTC - OLT	5.6 Components - Volume Driven
SC_CL953	Legacy FTTC - DSLAM	5.6 Components - Volume Driven
SC_CL954	Legacy FTTC - Final Drop	Not included in published AMD based on materiality
SC_CL955	GEA FTTC Repairs	5.6 Components - Volume Driven
SC_CL956	GEA FTTP Repairs	5.6 Components - Volume Driven
SC_CL957	GEA FTTP Provisions	5.6 Components - Volume Driven
SC_CL958	GEA FTTC Provisions	Not included in published AMD based on materiality
SC_CL961	One Fibre Network - Headend electronics FTTP	5.6 Components - Volume Driven
SC_CL963	One Fibre Network - Final drop	5.6 Components - Volume Driven
SC_CL990	FTTP Funded Fibre Rollout Spend	5.6 Components - Volume Driven
SC_CL997	FTTP Fibre Rollout Funding	5.6 Components - Volume Driven
SC_CL998	FTTC Fibre Rollout Funding	5.6 Components - Volume Driven
SC_CL999	FTTC Funded Fibre Rollout Spend	5.6 Components - Volume Driven
SC_CN617	Ethernet Backhaul Direct extended reach	Not included in published AMD based on materiality
SC_CN619	Ethernet Backhaul Direct Active	5.6 Components - Methodology Driven
SC_CN620	Ethernet Backhaul Direct Passive	Not included in published AMD based on materiality
SC_CN623	Ethernet Backhaul Direct Resilience Active	Not included in published AMD based on materiality
SC_CN624	Ethernet Backhaul Direct Resilience Passive	Not included in published AMD based on materiality

Component Code	Component Description	AMD Reference
SC_CO254	OR Project Services	Not included in published AMD based on materiality
SC_CO445	Ethernet Monitoring Platform	5.6 Components - Methodology Driven
SC_CO457	Legacy Ethernet - Ethernet electronics	5.6 Components - Methodology & Volume Driven
SC_CO484	Inter-exchange Fibre	5.6 Components - Volume Driven
SC_CO485	Ethernet Electronics Current	5.6 Components - Methodology Driven
SC_CO772	OR Systems & Development - Ethernet	5.6 Components - Methodology Driven
SC_CO801	Ofcom Administration Fee - Openreach	5.6 Components - System Driven
SC_CO989	Special Fault Investigation	5.6 Components - Volume Driven

Component Code	Component Description	AMD Reference
SC_CP502	Openreach sales product management	5.6 Components - Methodology Driven
SC_CT134	Co-mingling power & vent	5.6 Components - Methodology & Volume Driven
SC_CW609	Legacy Ethernet - Spine fibre	5.6 Components - Methodology Driven
SC_CW610	Legacy Ethernet - Distribution fibre	5.6 Components - Methodology Driven
SC_CX999	Non-SMP	Not included in published AMD based on materiality
SC_CZ300X	PIA Downstream Asset	5.6 Components - System Driven
SC_CZ300Y	PIA Costs	5.6 Components - Methodology & Volume Driven

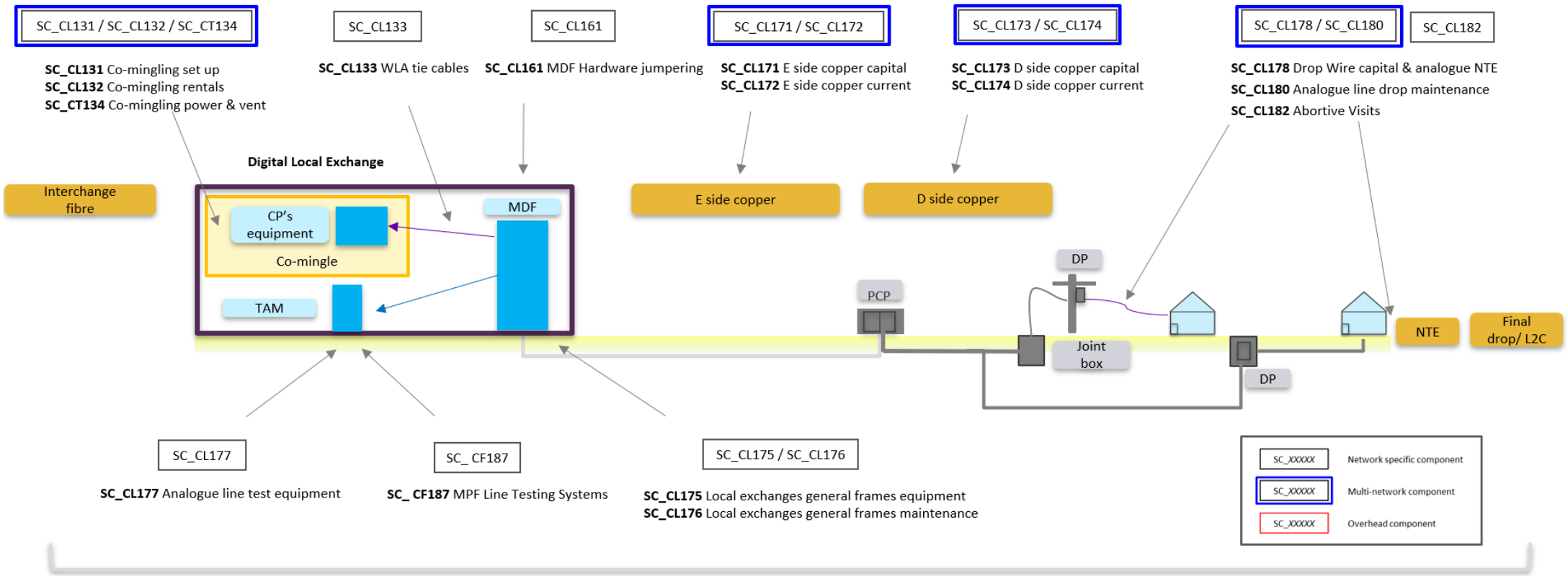
PIA Network Diagram



Market Specific Overhead: **SC_CZ300X** PIA Downstream Asset

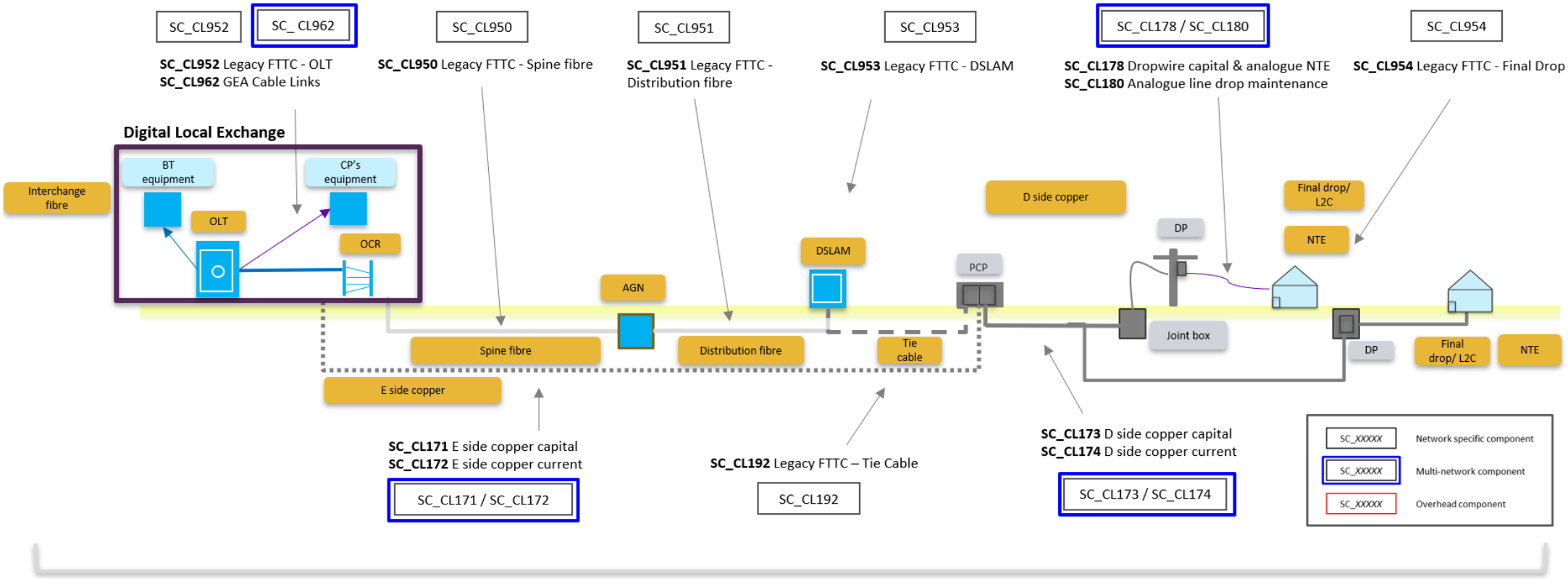
Cross Market Overhead: **SC_CD900** Revenue Receivables / **SC_CO801** Ofcom Administration Fee – Openreach / **SC_CP502** Openreach sales product management

WLA - Copper (SMPF & MPF) Network Diagram



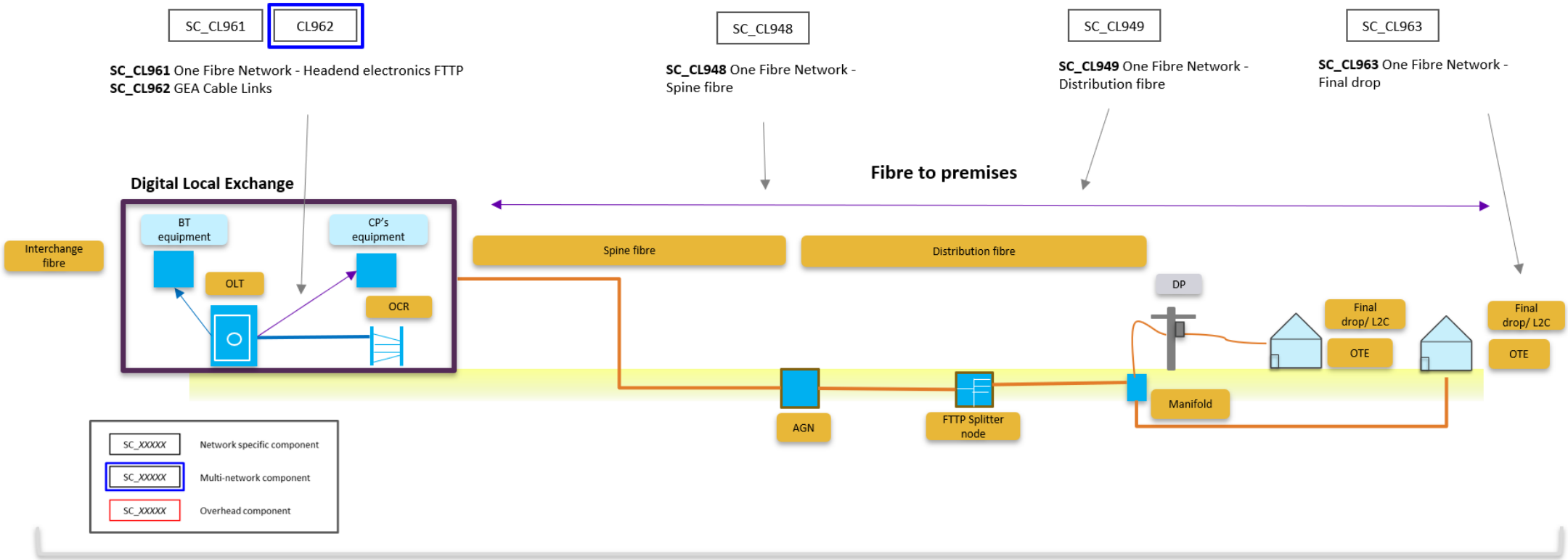
Cross Market Overhead: **SC_CD900** Revenue Receivables / **SC_CJ001** PIA Transfer Charge / **SC_CK981** Regulated Time Related Charges / **SC_CL160** Routing & Records / **SC_CL193** Expedite Provision Costs / **SC_CL572** Service Centre – Provision WLA / **SC_CL577** OR Service Centre - Assurance WLA / **SC_CL590** SLG WLA External / **SC_CL591** SLG WLA Internal / **SC_CL600** Other WLA / **SC_CL612** IFRS 15 Adjustments / **SC_CL943** Cumulo OR / **SC_CO484** Interexchange Fibre / **SC_CO801** Ofcom Administration Fee – Openreach / **SC_CO989** Special Fault Investigation / **SC_CP502** Openreach sales product management

WLA - Fibre (FTTC) Network Diagram



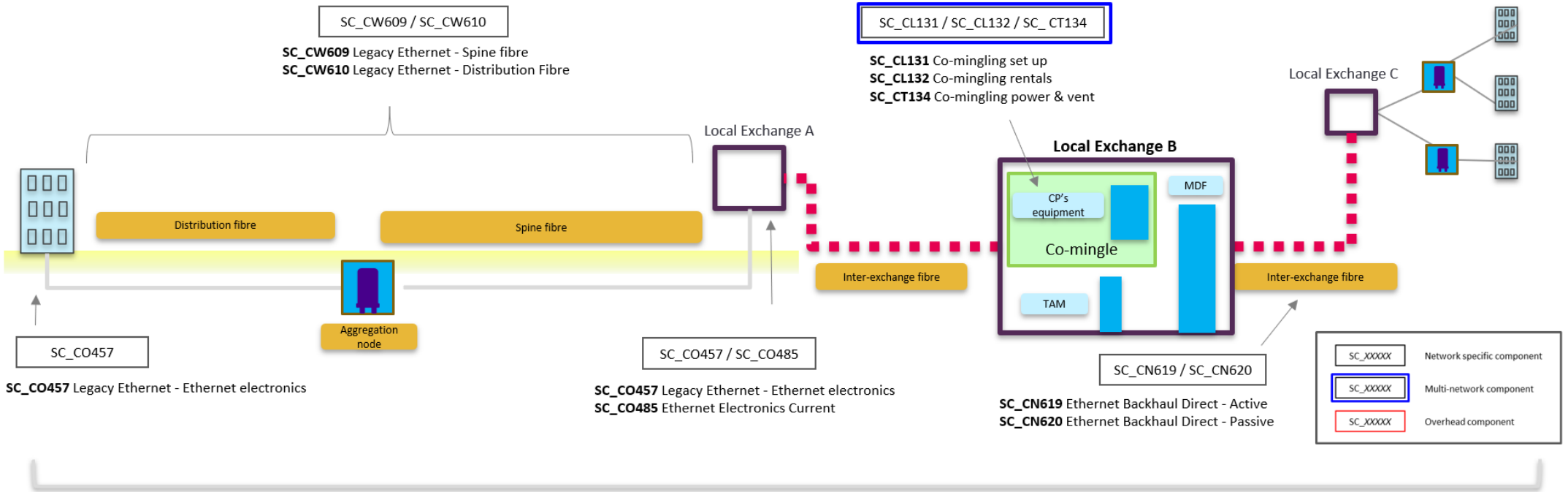
Market Specific Overhead:	**SC_CL197** FTTC Development / **SC_CL955** GEA FTTC Repairs / **SC_CL958** GEA FTTC Provisions / **SC_CL998** FTTC Fibre Rollout Funding / **SC_CL999** FTTC Funded Fibre Rollout Spend
Cross Market Overhead:	**SC_CD900** Revenue Receivables / **SC_CJ001** PIA Transfer Charge / **SC_CK981** Regulated Time Related Charges / **SC_CL160** Routing & Records / **SC_CL193** Expedite Provision Costs / **SC_CL195** NGA Visit Assure / **SC_CL572** OR Service Centre – Provision WLA / **SC_CL574** OR Service Centre – Provision GEA / **SC_CL577** OR Service Centre - Assurance WLA / **SC_CL579** Service Centre – Assurance NGA / **SC_CL590** SLG WLA External / **SC_CL591** SLG WLA Internal / **SC_CL600** Other WLA / **SC_CL612** IFRS 15 Adjustments / **SC_CL943** Cumulo OR / **SC_CO484** Interexchange Fibre / **SC_CO801** Ofcom Administration Fee – Openreach / **SC_CO989** Special Fault Investigation / **SC_CP502** Openreach sales product management

WLA - Fibre (FTTP) Network Diagram



Market Specific Overhead:	**SC_CL198** FTTP Development / **SC_CL956** GEA FTTP Repairs / **SC_CL957** GEA FTTP Provisions / **SC_CL990** FTTP Funded Fibre Rollout Spend / **SC_CL997** FTTP Fibre Rollout Funding
Cross Market Overhead:	**SC_ CD900** Revenue Receivables / **SC_CJ001** PIA Transfer Charge / **SC_CK981** Regulated Time Related Charges / **SC_CL160** Routing & Records / **SC_CL193** Expedite Provision Costs / **SC_CL195** NGA Visit Assure / **SC_CL572** OR Service Centre – Provision WLA / **SC_CL574** OR Service Centre – Provision GEA / **SC_CL577** OR Service Centre - Assurance WLA / **SC_CL579** Service Centre - Assurance NGA / **SC_CL590** SLG WLA External / **SC_CL591** SLG WLA Internal / **SC_CL600** Other WLA / **SC_CL612** IFRS 15 Adjustments / **SC_CL943** Cumulo OR / **SC_CO484** Interexchange Fibre /
SC_CO801 Ofcom	Administration Fee – Openreach / **SC_CO989** Special Fault Investigation / **SC_CP502** Openreach sales product management

LLA & IEC Network Diagram



Market Specific Overhead:	**SC_CE106** Ethernet Excess Construction Capex / **SC_CL573** OR Service Centre Provision Ethernet / **SC_CL601** SLG Ethernet Provision Ext / **SC_CL602** SLG Ethernet Assurance Ext / **SC_CL605** SLG Ethernet Provision Int / **SC_CL606** SLG Ethernet Assurance Int / **SC_CN617** Ethernet Backhaul Direct extended reach / **SC_CN623** Ethernet Backhaul Direct Resilience - Active / **SC_CN624** Ethernet Backhaul Direct Resilience – Passive / **SC_CO254** Openreach Project Services / **SC_CO445** Ethernet Monitoring Platform / **SC_CO488** Dark Fibre Specific Rental Costs / **SC_CO499** Dark Fibre Specific Connection Costs / **SC_CO772** Openreach Systems & Development – Ethernet
Cross Market Overhead:	**SC_CD900** Revenue Receivables / **SC_CL160** Routing & Records / **SC_CJ001** PIA Transfer Charge / **SC_CL612** IFRS 15 Adjustments / **SC_CL943** Cumulo OR / **SC_CO484** Interexchange Fibre / **SC_CO801** Ofcom Administration Fee – Openreach / **SC_CP502** Openreach sales product management

Annex three: Weighted Average Cost of Capital

Introduction

Ofcom's WFTMR statement sets their decision on BT's pre-tax nominal WACC for BT Group and disaggregated lines of business as follows:

	Openreach	Other UK Telecoms	RoBT
Pre-tax nominal WACC	7.0%	7.8%	10.2%

The WACC rates for AGs and PGs are set out below, and component WACC rates are in Section 5.6 'Components'. The WACC rates assigned to these allocating objects are aligned to the rate of the market and product receiving the largest portion of cost and MCE.

Activity Groups

Reference	WACC RATE	Reference	WACC RATE	Reference	WACC RATE	Reference	WACC RATE
AG101	7.0%	AG118	7.0%	AG172	7.0%	AG407	7.0%
AG102	7.0%	AG119	7.0%	AG173	7.0%	AG410	7.0%
AG113	7.0%	AG170	7.0%	AG401	7.0%	AG415	7.0%
AG116	7.0%	AG171	7.0%	AG402	7.0%		

Plant Groups

Reference	WACC RATE	Reference	WACC RATE	Reference	WACC RATE	Reference	WACC RATE
PG003Y	7.8%	PG149A	7.0%	PG501B	7.0%	PG954C	7.8%
PG005Y	7.0%	PG150B	7.0%	PG502B	7.0%	PG955M	7.0%
PG006X	7.8%	PG154B	7.0%	PG574B	7.0%	PG956M	7.8%
PG006Y	7.8%	PG170B	7.8%	PG579B	7.0%	PG957P	7.8%
PG100D	7.0%	PG192A	7.0%	PG590B	7.8%	PG958P	7.0%
PG101D	7.0%	PG197A	7.0%	PG591B	7.8%	PG959C	7.8%
PG102D	7.0%	PG198A	7.8%	PG601B	7.8%	PG981R	7.0%
PG111C	7.8%	PG200P	7.0%	PG605B	7.8%	PG982R	7.0%
PG117C	7.0%	PG201P	7.0%	PG612B	7.8%	PG989A	7.0%
PG118C	7.0%	PG217E	7.0%	PG613B	7.0%	PG990A	7.8%
PG118M	7.0%	PG300N	7.0%	PG614B	7.8%	PG998A	7.8%
PG120B	7.8%	PG301N	7.0%	PG615B	7.0%	PG999A	7.0%
PG122M	7.0%	PG302N	7.0%	PG899A	7.8%		
PG130A	7.0%	PG303N	7.0%	PG948C	7.8%		
PG132B	7.0%	PG304N	7.0%	PG949C	7.8%		
PG132N	7.0%	PG447A	7.8%	PG950C	7.0%		
PG136N	7.0%	PG449A	7.8%	PG951C	7.0%		
PG140A	7.0%	PG457A	7.8%	PG952C	7.8%		
PG142A	7.0%	PG467A	7.8%	PG953C	7.0%		

Annex four: Openreach reporting

Introduction

On 10 March 2017, we notified Ofcom under section 89C of the Communications Act 2003 of changes to the structure and governance arrangements relating to the Openreach Division described in Commitments. In 2018, we fulfilled the Commitments we gave to Ofcom following its Digital Communications Review. In accordance with sections 20.3 to 20.6 of the Commitments, most recently issued on 12 August 2024, the RFS separately present the financial results of Openreach Division and include a reconciliation of Openreach Division's revenue, operating cost and return or profit before tax (and other items agreed between us and Ofcom) with the financial information about Openreach Division as shown in BT Group plc's Annual Report and Accounts. This financial information is subject to an independent audit.

This section outlines the methodologies used to present the financial results of Openreach Division ('Openreach Information') within the RFS and the reconciliation of that statement to the Openreach Division segmental financial information as shown in BT's Annual Report.

As specified in the Commitments, the form, content and basis of preparation of the Openreach Division Information follows that used in the preparation of the RFS.

Openreach Division Financial Reporting

Financial results of Openreach Division

In accordance with the Commitments, the financial results of Openreach Division are presented in the RFS within the Market Summaries for each of the regulated markets. The mapping of services into these markets can be found in the Wholesale Catalogue.

Currently regulated markets summaries presented in the RFS include:

- Physical infrastructure access
- Wholesale Local Access - Area 2
- Wholesale Local Access - Area 3
- Leased Lines Access - Area 2
- Leased Lines Access- Area 3
- Leased Lines Access - High network reach
- Inter-exchange Connectivity - BT only exchanges
- Inter-exchange Connectivity - BT +1 exchanges
- Shared Ancillaries

All of the services in the above markets are described on Openreach's website: www.openreach.co.uk.

Openreach revenue

Revenue is based upon published prices multiplied by Openreach volumes, consistent with our RFS. We have used volumes associated with Openreach products. Against the identified volumes we apply the published price, where products are sold externally or internally, to arrive at the reported revenue for Openreach.

For services which are only sold internally and where there is no applicable published price, revenue is calculated on the prices that have been agreed internally between Openreach and the other BT divisions.

Reconciliation Statements - Income Statement

The reconciliation of Openreach Division's revenue, operating cost and return or operating profit is presented in the RFS comparing the information from the market summaries with the information about Openreach Division shown in BT Group plc's Annual Report.

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

1. Basis of preparation under Current Cost Accounting (CCA): *BT's Annual Report has been prepared under the historical cost accounting (HCA) basis, modified for the revaluation of certain financial assets and liabilities at fair value. BT's RFS have been prepared on a CCA basis.*
2. Cost of capital adjustment for internal trading (Use of technology assets): *Within the Openreach segmental financial information reported in BT's Annual Report, there is a charge for an appropriate return on capital where assets are owned by the BT Technology division (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 allocation of costs and assets to products in the regulatory accounts is actual costs and assets.*

3. Other reconciling items and trading differences: *This adjustment relates to other trading differences that may occur from period to period in attributing costs for the RFS. Internal transfers raised between businesses are ignored within the RFS for both the CFU raising the charge and the CFU receiving the charge so as to reflect the true regulatory end-to-end costs of each unit. The total regulatory cost of each category is compared to the equivalent traded costs within the management accounts to calculate individual reconciliation differences and the sum of the differences incorporated as the total reconciliation difference for trading differences.*
4. Non-traded costs: *Costs shown separately from the Openreach segmented results in BT's Annual Report are included as a separate line to enable reconciliation between the accounts.*

Reconciliation Statements - Mean Capital Employed (MCE)

We do not publish Openreach segmental balance sheet information in our Annual Report and consequently are unable to publish a separate reconciliation of Openreach MCE Statement in the RFS. Instead, a reconciliation of BT Group plc's mean capital employed (MCE) in included in the RFS which reconciles to the CCA MCE balances presented for all Openreach markets and RoBT.

Annex five: Data sources

1 Introduction

A variety of data sources from across BT are used as part of our attribution methodologies to produce the RFS. These data inputs are classified in line with the methodology taxonomy as outlined in Part One: Section 5. This Annex details the attributes of data used and defines key systems used. Changes to an input or one of its attributes, where it impacts on a methodology, is reported in the CCN as directed by Ofcom.

2 Characteristics of Systems

Frozen Inputs

Where we are unable to locate better data, or where regularly refreshing an input would not result in significant changes to the results, we may choose to freeze an input. Commonly this happens when a system has been decommissioned. Such inputs are noted below. Frozen inputs are subject to a periodic review to check that either freezing the source is immaterial to the results; or that there is no better source of data than the frozen data set.

Period Refreshed

Data is typically collected for the full year, at the end of the financial year on 31 March. However, there may be instances where it is more appropriate to collect data at the mid-point of the year (typically where the mid-point roughly equates to a yearly average).

A single system may produce multiple inputs to our process, and therefore may appear at different points in the taxonomy. For this reason, some systems are queried more than once in the year.

Below is a summary list of key data sources used within the RFS by category. This list is not complete, but includes all inputs which are material to the results.

3 Summary of Systems by Category

Asset Metrics

Source System	Full system name and description	Period refreshed	Notes
CostPerform	CostPerform supports the regulatory reporting requirements of the business, providing Accounting Separation (AS) results and analysis that form the basis of the RFS.	Full year	
FAR	Fixed Asset Register – detailed list of fixed assets owned by BT.	Mid-Point and Full Year	
NISM NT	Network Inventory And Spares Management System - New Technologies - NISM NT is used to plan Broadband Equipment. It is used to manage Core Network Spares & Repair activities for specified technologies. Designed to track Network Equipment, for example slide in units, at 6,300 sites.	Mid-Point and Full Year	
ORBIT	Openreach Business Information Toolset - To comply with the Telecoms Strategic Review (TSR), Openreach has developed a data warehouse to capture and store management information and this warehouse is called ORBIT. The ORBIT data warehouse is the Key stone in the Openreach Management Information System (MIS) strategy. It performs the task of the central data store and information repository, holding both granular and aggregated data together with measures and business metrics.	Mid- Point	

Source System	Full system name and description	Period refreshed	Notes
PIPeR	Physical Inventory Planning E-Records - PIPeR supports the Planning & Recording communities within the Openreach organisation. It holds all Openreach external inventories, and supports planning of all new fibre and copper plant items. It enables the Planning teams to plan and issue the work out to the build agents and enables the Recording teams to accurately and efficiently record changes to the network electronically.	Full Year	
BT Group Strategic ERP (SAP S4 HANA)	Application to develop a standardised set of financial and KPI data to meet the needs of finance teams, as well as the commercial functions they support, by giving a real time organization-wide financial view	Full Year	
BT Group Business Warehouse (SAP BW)	A data-warehousing environment to collect, transform and store data generated in SAP and non-SAP applications and make it accessible through built-in reporting, business intelligence and analytics tools.	Full Year	

Electricity

Source System	Full system name and description	Period refreshed	Notes
ETD	Energy Telemetry Database – Reporting data warehouse to facilitate analytics of BT's energy consumption.	Mid- Point	
EXPRES	Exchange Planning and Review System - EXPRES is a system used for capacity planning in BT's Local Exchange Network. It provides an inventory of 'capacity in service' available in the Voice Network also known as the Public Switched Telephone Network (PSTN). The system uses this information to forecast future capacity requirements. EXPRES is extensively used to provide regular switch network data for reports and briefings together with data for key reports to Ofcom and other CPs. Additionally it is used throughout the business, particularly within planning offices, to provide management statistics and data on the works programme and asset utilisation. It is the definitive source for Network Nodal Identifier (NNI) codes. EXPRES contains details of the hierarchy of the Voice Network e.g. which local exchanges are linked to which tandem exchanges. System X and AXE10 volumes in the network are sourced from the EXPRES system.	Mid- Point	
INS	Integrated Network Systems - INS is the family name for the architecture encompassing a group of mainframe subsystems supporting PDH core network planning and utilisation processes. These processes manage the assignment of BT's core and wideband network and transmission equipment areas. It is one of the major Operation Support Systems (OSS) within BT for PDH plus the analogue network and holds all data for Cables (Fibre and Copper - non Customer Service System (CSS)), Radio, Bearers, Switch, Equipment and Private Services and is one of the largest online data systems in Europe. It underpins network technologies and topologies such as Ultra Broadband (UBB), Wavelength Division Multiplexing (WDM), Synchronous Digital Hierarchy (SDH), Internet Protocol (IP), PDH, Kilostream and high bit rate services. It also records the inter exchange network for Public Switched Telephone Network (PSTN) and Featurenet. It fully supports the three main business processes of Provision, Build and Repair. INS is essentially a data warehouse and is a representation of physical bearers and equipment for logical solutions. It provides end to end routing design and solutions across network platforms for public, private and network services, 20CN and 21CN. It also provides a level of resilience checking.	Mid- Point	
LLUMS	Local Loop Unbundling Management System - The Local Loop Unbundling Management system provides delivery and in-life management of LLU Points of Presence, MDF Connections and TAM. It also includes customised reporting functionality and disaster management information.	Mid-Point and Full Year	
MARVIN	ANP001BRP – Hourly EE RAN traffic stats	Mid- Point	

Source System	Full system name and description	Period refreshed	Notes
NISM NT	Network Inventory And Spares Management System – New Technologies - NISM NT is used to plan Broadband Equipment. It is used to manage Core Network Spares & Repair activities for specified technologies. Designed to track Network Equipment, for example slide in units, at 6,300 sites.	Mid- Point	
Peacemaker	This Suite of programmes giving radio planners sophisticated tools to aid the design of radio links. Can produce terrain maps & radio path profiles. It will also identify if a path is workable & free from frequency interference.	Mid- Point	
PIRM	Power Inventory And Routines Manager - The Power Inventory and Routines Manager (PIRM) system is a web-based system developed by MBT to give a high level of control in the management of power equipment within the BT core network. Authorized users can input the details of different types of power equipment to be installed into PIRM. Using this information the installer installs the equipment and notifies the Local PIRM Officer (LPO) to activate the routines for the equipment once it has been commissioned. PIRM will then support the maintenance activity within the core network. Each type of equipment will have routines defined for it, which PIRM will automatically schedule, based on its routine periodicity. Once activated, the scheduled tasks are then automatically created using the interface between PiRM and Virtual Work Manager for allocation of the appropriate time to the assigned maintenance technician and when status of the job is updated by the technicians, same status gets reflected in the PIRM. PIRM functions are used in tracking items of equipment throughout their life cycle, e.g. when a rectifier 160 is removed for repair and replaced in a different location, it is shown at its new location in PIRM.	Mid- Point	

Labour

Source System	Full system name and description	Period refreshed	Notes
MYHR	MYHR is a HR system that holds information about BT employees.	Mid- Point	
CostPerform	CostPerform supports the regulatory reporting requirements of the business, providing Accounting Separation (AS) results and analysis that form the basis of the RFS.	Full year	
ORBIT	Openreach Business Information Toolset - To comply with the Telecoms Strategic Review (TSR), Openreach has developed a data warehouse to capture and store management information and this warehouse is called ORBIT. The ORBIT data warehouse is the Key stone in the Openreach Management Information System (MIS) strategy. It performs the task of the central data store and information repository, holding both granular and aggregated data together with measures and business metrics.	Mid-Point and Full Year	
Anaplan	Anaplan provides a cloud based medium to long term forecast and Planning solution. It works by BT Planners accessing Anaplan, setting up environment to accommodate work functions. Data fed from BT into system which provides an output of data that can be put into our Work Force management system to schedule workforce up to five weeks out. In addition Anaplan also runs the financial analysis of customer bids	Mid-Point	

Network Data

Source System	Full system name and description	Period refreshed	Notes
ASC	Automated Supply Chain - ASC is the name given by BT to the AmSOFT system and its interfaces. The ASC primary functions include: stores purchasing; order management; stock control; accounting systems; and foreign currency invoices. The ASC procurement matching module is used to authorise invoices.	Mid- Point	

Source System	Full system name and description	Period refreshed	Notes
CCMIS	Complementary Channel Marketing Management Information System - The CCMIS system consists of an Operational Database Server and two eCloud Servers are currently being configured for service. CCMIS provides an Agile reporting and BI platform to meet the needs of both the Consumer and Business Operation. Strategic solutions are often initially developed here, prior to being formally requested of Technology. CCMIS also provides metrics on the VAS call queues, time to answer etc.	Mid-Point and Full Year	
IN CMIS	Intelligent Network Capacity Management Information System - Collects non real time capacity management stats from the CISL platform for analysis via CMIS Excel based reporting system	Mid-Point	
CTCS	Core Transmission Circuit costing System - CTCS is a financial tool which calculates the cost of products for the regulatory accounts. It holds volume data which is used to provide allocations to CostPerform, and takes data from INS/PACS network management systems to provide volumes for AS and Esprit. Although it has a very small user base, CTCS continues to provide key data used by the network cost analysts.	Mid- Point	
EXPRES	Exchange Planning and Review System - EXPRES is a system used for capacity planning in BT's Local Exchange Network. It provides an inventory of 'capacity in service' available in the Voice Network also known as the Public Switched Telephone Network (PSTN). The system uses this information to forecast future capacity requirements. EXPRES is extensively used to provide regular switch network data for reports and briefings together with data for key reports to Ofcom and other CPs. Additionally it is used throughout the business, particularly within planning offices, to provide management statistics and data on the works programme and asset utilisation. It is the definitive source for Network Nodal Identifier (NNI) codes. EXPRES contains details of the hierarchy of the Voice Network e.g. which local exchanges are linked to which tandem exchanges. System X and AXE10 volumes in the network are sourced from the EXPRES system.	Mid- Point	
Genius	GENEVA -Local Loop Unbundling - The GenIUS (Geneva Integrated Universal Solution) Programme has a number of applications that delivers a streamlined wholesale billing capability through a single, integrated billing platform. This enables BT Enterprise to reduce the time between provision of service and the issue of a bill, realising cost benefits and supporting the expansion of our product, solution and service portfolio.	Mid-Point and Full Year	
GVF	Global Volumes Forecast – BT group wide forecast of product volumes, holding current financial year plus 1 year forecast by month.		Frozen
Hyperion	Hyperion is a consolidation & Variance Reporting / Financial Analysis application which can be thought of as four separate services: • An outbound E115 service to allow international DQ operators to access foreign databases directly via the Volt Delta proprietary workstation product (IDW) which is embedded in the • An inbound E115 service to allow foreign DQ service providers direct access to BT A – Z directory data for search purposes. • An inbound web service to allow internet service providers direct access to BT A – Z directory data for search purposes. • A hub solution (known as Columbus) for LSSi to provide access to foreign databases (via our outbound E115 service) to their DQ operators in the USA.	Full Year	

Source System	Full system name and description	Period refreshed	Notes
INS	Integrated Network Systems - INS is the family name for the architecture encompassing a group of mainframe subsystems supporting PDH core network planning and utilisation processes. These processes manage the assignment of BT's core and wideband network and transmission equipment areas. It is one of the major Operation Support Systems (OSS) within BT for PDH plus the analogue network and holds all data for Cables (Fibre and Copper - non Customer Service System (CSS)), Radio, Bearers, Switch, Equipment and Private Services and is one of the largest online data systems in Europe. It underpins network technologies and topologies such as Ultra Broadband (UBB), Wavelength Division Multiplexing (WDM), Synchronous Digital Hierarchy (SDH), Internet Protocol (IP), PDH, Kilostream and high bit rate services. It also records the inter exchange network for Public Switched Telephone Network (PSTN) and Featurenet. It fully supports the three main business processes of Provision, Build and Repair. INS is essentially a data warehouse and is a representation of physical bearers and equipment for logical solutions. It provides end to end routing design and solutions across network platforms for public, private and network services, 20CN and 21CN. It also provides a level of resilience checking.	Mid- Point	
LLUMS	Local Loop Unbundling Management System - The Local Loop Unbundling Management system provides delivery and in-life management of LLU Points of Presence, MDF Connections and TAM. It also includes customised reporting functionality and disaster management information.	Full Year	
NuNCAS	Network Capacity Assignment System - NuNCAS provides the capacity calculations to determine if access capacity exists in the network to support Asymmetric Digital Subscriber Line (ADSL) Broadband connectivity. NUNCAS supports the following functions: · Service Profile Definition - including connections within the ADSL network, connections within the core network, association of core connection groupings with the relevant Multiplexer (MUX). · View ADSL model - using object attributes. · Audit ADSL Network. · Capacity Thresholding. · List incomplete Service Provisions. · Report Planning Failure Exceptions. · Support for automated core VP build. Configure Service on request from SSD.		Frozen
ORBIT	Openreach Business Information Toolset - To comply with the Telecoms Strategic Review (TSR), Openreach has developed a data warehouse to capture and store management information and this warehouse is called ORBIT. The ORBIT data warehouse is the Key stone in the Openreach Management Information System (MIS) strategy. It performs the task of the central data store and information repository, holding both granular and aggregated data together with measures and business metrics.	Full Year	
POWERHOUSE	Powerhouse is BT's product volumes Data Warehouse. It has been designed as a solution for provision, from a single source, of timely and accurate information regarding the installed base of BT products – primarily for BT Retail. It is a front-end query tool that interrogates raw data from other systems such as Call Statistics Centralisation System (CSCS), Private Circuits New Billing System (PCNBS) and Central Database System (CDS). Data stored in the warehouse enables web based reporting & analysis on Income, revenue and related product volumes (e.g. calls, lines, inbound services, data network services).	Full Year	
RIDE2	Recorded Information Distribution Equipment - RIDE2 is a mass call termination platform playing pre-recorded announcements and capturing voice messages and data. The platform provides a wide range of services largely focused on the calls market and is a key component of BT's mass calling (televote) solution. Crucially it takes the call termination load off the voice network (PSTN and SDIN).	Mid- Point	

Source System	Full system name and description	Period refreshed	Notes
CPL	CP Leaf - This is the FTTP network element called CP leaf as a part of dis-aggregated architecture network delivered over Adtran equipment utlising PON technologies to deliver up to 1Gbps Broadband.	Mid-Point	
CSCS	Call Statistics Centralisation System provides summarised information for all successful dialled PSTN and OAFC calls made in the UK and Northern Ireland. CSCS also provides daily and monthly data feeds to BT's marketing call data warehouses (Powerhouse, ICIP/CCBA). The key function of CSCS is to provide the business with statistical information which can be used to protect and increase the marketshare. CSCS processes around 130 million calls per day. It provides analysis of each call record in terms of volume, duration and revenue.	Full Year	
DPCN	Digital Private Circuit Network - Contains all details of the DPCN (Digital Private Circuit Network) necessary to provide routings for Digital Circuits over 2Mbit/31(64kbits) channels / tributaries automatically.	Mid-Point	
BT Group Strategic ERP (SAP S4 HANA)	Application to develop a standardised set of financial and KPI data to meet the needs of finance teams, as well as the commercial functions they support, by giving a real time organization-wide financial view	Full Year	
BT Group Business Warehouse (SAP BW)	A data-warehousing environment to collect, transform and store data generated in SAP and non-SAP applications and make it accessible through built-in reporting, business intelligence and analytics tools.	Full Year	
Energy Telemetry Database	Provide a reporting data warehouse to facilitate detailed analytics of BT's energy consumption and to assist with historic reporting of assoicated Energy Systems data.	Mid-Point	
SDIN	This is BT's strategic IP Voice Core Network. It provides Session Border Controllers (SBC's) for interconnect to CP and end customers, Media Gateways for interconnect into PSTN, Media Interworking and Mobile Networks, Media Gateway Controllers (MGC's) to control signalling interworking. The network provides the underlying core for IP Exchange, SIP Trunking, HCS, IP Comms, EE Integration, Digital Voice and all new IP voice platforms in BT. It will also ultimately replace the PSTN trunk network.	Full Year	
NCL PACS	NCL PACS (Network Control Layer â€“ Planning Assignment Configuration System) is BT 20C, 21C infrastructure planning, configuration & service routing, provisioning, activation system used for various BTW & OR products from Plan & Build, L2C & T2R perspective especially into UK region.	Mid-Point	
Ghost	Ghost is Symantec livestate recovery (used to be Norton Ghost) which is used to backup the Windows servers used on the BT account. These servers all live in computer room in Midland ATE.	Mid-Point	
Generic Network Implemention & Control	Contains all details of the DPCN(Digital Private Circuit Network) necessary to provide routings for Digital Circuits over 2Mbit/31(64kbits) channels / tributaries automatically. Please enter Business Impact as Loss of Critical Infrastructure for an Organisation.	Mid-Point	
NRS	NRS (Network Record System) is the national system for the allocation/de-allocation and display of PSTN 2Mb Switch Ports and related switch data. The information held by NRS is derived from PSTN switch data, which is refreshed regularly from System X ,AXE10,NGS and CAll Server switches.	Full Year	

Other Miscellaneous

Source System	Full system name and description	Period refreshed	Notes
ASC	Automated Supply Chain - ASC is the name given by BT to the AmSOFT system and its interfaces. The ASC primary functions include: stores purchasing; order management; stock control; accounting systems; and foreign currency invoices. The ASC procurement matching module is used to authorise invoices.		Frozen
CISL	Common Intelligent Service Layer – Intelligent Network platform providing call routing for a number of BT’s inbound services products.		Frozen

Source System	Full system name and description	Period refreshed	Notes
CostPerform	CostPerform supports the regulatory reporting requirements of the business, providing Accounting Separation (AS) results and analysis that form the basis of the RFS.	Mid- Point	
Hyperion	Hyperion is a consolidation & Variance Reporting / Financial Analysis application which can be thought of as four separate services: • An outbound E115 service to allow international DQ operators to access foreign databases directly via the Volt Delta proprietary workstation product (IDW) which is embedded in the • An inbound E115 service to allow foreign DQ service providers direct access to BT A – Z directory data for search purposes. • An inbound web service to allow internet service providers direct access to BT A – Z directory data for search purposes. • A hub solution (known as Columbus) for LSSi to provide access to foreign databases (via our outbound E115 service) to their DQ operators in the USA.	Full Year	
LLUMS	Local Loop Unbundling Management System - The Local Loop Unbundling Management system provides delivery and in-life management of LLU Points of Presence, MDF Connections and TAM. It also includes customised reporting functionality and disaster management information.	Full Year	
NRMS	Network Routing Management System – Single PSTN network model of exchanges & routes. Inbound data is processed and audited then sorted in an Orical database and presented to the TrafficHawk system as a single network model reference.		Frozen
NIMBUS	NIMBUS is the cloud instance of Openreach, as a part of Aspertias program which will provide the production level security guardrails with restricted access to developers and CTIO users in cloud. Asperitas is a data driven pan Openreach project that aims to democratize data across Openreach, creating a single source of truth, providing faster insights to business outcomes, enabling data driven & automated decision making & reducing manual work.	Full Year	
Kite	Kite is a Procurement and Supply Chain application that scans and records vital information such as MAC ADDRESS, SERIAL NUMBER, ORDER NUMBER of all items coming off the conveyor belt from the Northallerton Warehouse to be shipped to BT customers. The data captured by Kite is then forwarded to the WMS system and to ASC for onward transmission to order source systems.	Full Year	
VSE	Unisys platform, used to support Call Minder & BT Answer 1571 products.12 platforms & 1 test plant, installed at 5 locations. Replaces earlier ISAP platforms.AKA VSS Callminder. Also so supports SMS Gateway functions.		

Property and Insurance

Source System	Full system name and description	Period refreshed	Notes
CISL	Common Intelligent Service Layer – Intelligent Network platform providing call routing for a number of BT's inbound services products.	Full Year	
CostPerform	CostPerform supports the regulatory reporting requirements of the business, providing Accounting Separation (AS) results and analysis that form the basis of the RFS.	Full Year	

Source System	Full system name and description	Period refreshed	Notes
EXPRES	Exchange Planning and Review System - EXPRES is a system used for capacity planning in BT's Local Exchange Network. It provides an inventory of 'capacity in service' available in the Voice Network also known as the Public Switched Telephone Network (PSTN). The system uses this information to forecast future capacity requirements. EXPRES is extensively used to provide regular switch network data for reports and briefings together with data for key reports to Ofcom and other CPs. Additionally it is used throughout the business, particularly within planning offices, to provide management statistics and data on the works programme and asset utilisation. It is the definitive source for Network Nodal Identifier (NNI) codes. EXPRES contains details of the hierarchy of the Voice Network e.g. which local exchanges are linked to which tandem exchanges. System X and AXE10 volumes in the network are sourced from the EXPRES system.	Full year	
HORIZON	BT Property HORIZON (Telereal) - This database holds detailed records for BT's properties (e.g. tenure, ownership and floor areas). This system contains data on the BT Estate (both office and operational). It holds data such as the Net Internal Area (this is the floor space that is billable) and Gross Internal Area (floor space that isn't billable). It records, at Customer Facing Unit (CFU) level, who actually occupies the floor space so that a particular CFU can be billed for usage. The occupancy details on the database contain the footprints of the equipment. This helps to establish the occupancy split between the specialised, the general purpose or both for each property on the system.	Mid- Point	
INS	Integrated Network Systems - INS is the family name for the architecture encompassing a group of mainframe subsystems supporting PDH core network planning and utilisation processes. These processes manage the assignment of BT's core and wideband network and transmission equipment areas. It is one of the major Operation Support Systems (OSS) within BT for PDH plus the analogue network and holds all data for Cables (Fibre and Copper - non Customer Service System (CSS)), Radio, Bearers, Switch, Equipment and Private Services and is one of the largest online data systems in Europe. It underpins network technologies and topologies such as Ultra Broadband (UBB), Wavelength Division Multiplexing (WDM), Synchronous Digital Hierarchy (SDH), Internet Protocol (IP), PDH, Kilostream and high bit rate services. It also records the inter exchange network for Public Switched Telephone Network (PSTN) and Featurenet. It fully supports the three main business processes of Provision, Build and Repair. INS is essentially a data warehouse and is a representation of physical bearers and equipment for logical solutions. It provides end to end routing design and solutions across network platforms for public, private and network services, 20CN and 21CN. It also provides a level of resilience checking.	Full year	
NISM NT	Network Inventory And Spares Management System – New Technologies - NISM NT is used to plan Broadband Equipment. It is used to manage Core Network Spares & Repair activities for specified technologies. Designed to track Network Equipment, for example slide in units, at 6,300 sites.	Full year	
Peacemaker	This Suite of programmes giving radio planners sophisticated tools to aid the design of radio links. Can produce terrain maps & radio path profiles. It will also identify if a path is workable & free from frequency interference.	Full year	

Source System	Full system name and description	Period refreshed	Notes
Rivus Fleet Cloud	As a part of Fleet separation, Fleet IT system is being migrated to Azure tenant owned by Rivus Fleet Solutions.Fleet estate in BT EC will be migrated to this cloud in phases. Post sucessful separation, few strategic interfaces will still remain with Pan BT systems as BT will be customer of Rivus Fleet Solution to provide facilities like SMR of BT vehicles and Company Car . As a part of finance system migration Fleet's finance data will be migrated from OBOE,Glossi to Sage application which will be hosted within the same Rivus Azure tenant.	Full year	Decomissioned
ADVITIUM	Content Management System used to hold all building related CAD records for the Operational Estate in a central repository. 2 Dimensional footprint of equipment placed onto the CAD diagrams is then synchronised with an oracle database allowing queries on equipment and space utilisation to be run. AutoCAD software is used at the client end integrated with a custom AutoRACK menu for 90 32bit client	Mid-Point	Decomissioned

Revenue and Volumes

Source System	Full system name and description	Period refreshed	Notes
Aztec	AZTEC is a multi purpose platform which supports a number of Wholesale Billing functions including Interconnect rating, Bill Formatting, Billing reporting and is also the central store for Routing & charging details	Full year	
COSMOSS	Customer Oriented System for the Management Of Special Services - COSMOSS is a database used for the provision of Private Services. This includes the provision of Partial Private Circuits sold to other CPs. It is used for new orders, re-arrangements and ceases. It acts as a 'Front End' and generates activities for the various groups involved in providing a Private Circuit. It includes Working System Size (WSS) and equipment volumes for and Revenue System Size (RSS) for revenue purposes. COSMOSS is a key input into the Core Transmission Circuit costing System (CTCS) system as explained below. The LLFN (London Local Fibre Network) platform via COSMOSS provides the revenue data for the products routed over LLFN and other BT equipment. The LLFN is an analogue private circuit overlay platform providing services to major customers, with an enhanced service wrap within the 0207 and 0208 areas of London only. The platform is now over 20 years old and primarily is based on PDH technology but is now making more use of SDH. There are various bespoke systems that support the platform along with a raft of BAU systems for order/ faults management.	Full year	
CostPerform	CostPerform supports the regulatory reporting requirements of the business, providing Accounting Separation (AS) results and analysis that form the basis of the RFS.	Full year	
Genius	GENEVA -Local Loop Unbundling - The GenIUS (Geneva Integrated Universal Solution) Programme has a number of applications that delivers a streamlined wholesale billing capability through a single, integrated billing platform. This enables BT Enterprise to reduce the time between provision of service and the issue of a bill, realising cost benefits and supporting the expansion of our product, solution and service portfolio.	Mid- Point	

Source System	Full system name and description	Period refreshed	Notes
Hyperion	Hyperion is a consolidation & Variance Reporting / Financial Analysis application which can be thought of as four separate services: • An outbound E115 service to allow international DQ operators to access foreign databases directly via the Volt Delta proprietary workstation product (IDW) which is embedded in the • An inbound E115 service to allow foreign DQ service providers direct access to BT A – Z directory data for search purposes. • An inbound web service to allow internet service providers direct access to BT A – Z directory data for search purposes. • A hub solution (known as Columbus) for LSSi to provide access to foreign databases (via our outbound E115 service) to their DQ operators in the USA.	Full year	
NuNCAS	Network Capacity Assignment System - NuNCAS provides the capacity calculations to determine if access capacity exists in the network to support Asymmetric Digital Subscriber Line (ADSL) Broadband connectivity. NUNCAS supports the following functions: · Service Profile Definition - including connections within the ADSL network, connections within the core network, association of core connection groupings with the relevant Multiplexer (MUX). · View ADSL model - using object attributes. · Audit ADSL Network. · Capacity Thresholding. · List incomplete Service Provisions. · Report Planning Failure Exceptions. · Support for automated core VP build. Configure Service on request from SSD.	Full year	
NIMS OR	Network Instruction Management System Openreach - NIMS application has been developed to serve the Core and Access Planning communities of network BT. NIMS is used to Plan, schedule, execute, control and monitor the work related to network Infrastructure enhancement and installation. It enables aspects of works planning, logistics control and overall project management to co-ordinate and prioritizes at national and task level. It assists in optimizing capital resources, available time and work to meet business requirements. Inputs from this data source are frozen.	Full year	
ORBIT	Openreach Business Information Toolset - To comply with the Telecoms Strategic Review (TSR), Openreach has developed a data warehouse to capture and store management information and this warehouse is called ORBIT. The ORBIT data warehouse is the Key stone in the Openreach Management Information System (MIS) strategy. It performs the task of the central data store and information repository, holding both granular and aggregated data together with measures and business metrics.	Full year	
POWERHOUSE	Powerhouse is BT's product volumes Data Warehouse. It has been designed as a solution for provision, from a single source, of timely and accurate information regarding the installed base of BT products – primarily for BT Retail. It is a front-end query tool that interrogates raw data from other systems such as Call Statistics Centralisation System (CSCS), Private Circuits New Billing System (PCNBS) and Central Database System (CDS). Data stored in the warehouse enables web based reporting & analysis on Income, revenue and related product volumes (e.g. calls, lines, inbound services, data network services).		frozen
PMMIS	Production Management - Management Information System - Central data repository for TPOW (total pool of work) system. Contains field notes, including for tasks completed by RoBT and EE field engineers.	Full Year	
CFB	Customer Focused Billing - Used to provide a customer selected view of bills in any format required.	Full Year	
Golden-I	Order entry and job progression tool for International Bandwidth	Mid-Point	

Source System	Full system name and description	Period refreshed	Notes
Avalon	The Avalon Res application is a BT Consumer strategic residential billing platform which runs on the Net Cracker RBM product and provides core billing functionality. Also, supporting L2C order journeys, Billing and Payment processing and the management of bills and payments for both online and via IVR (Interactive Voice Response). It also performs real-time credit validation of both new and ongoing requests being made by Consumer Mobile customers. It therefore manages an important revenue stream.	Full-Year	
OR Siebel	Openreach Siebel forms part of the EMP platform. It provides order creation, order tracking, fault raising and fault tracking functionalities for CPs via Openreach B2B gateway and Portal channels. It works as a repository for circuit orders and faults. All CPs need to register on Openreach Gateway in order to gain access to Openreach Siebel. Openreach Siebel application receives orders for LLU, ISDN, FTTP, FTTC, FVA, SOGEA, Ethernet and SBS products.	Full year	
CFB	Customer Focussed Billing-Consists of the CBP (Customer Billing Process) ans RADAR. Includes CICS partitions on SBLL, batch cycle on SBLL and interfaces to UNIX boxes.Used to provide a customer selected view of bills in any format required.	Full year	
WCR	Wholesale Customer Reporting - BIP hosts multiple applications across many servers, primarily for key BT Wholesale programmes involving different products from Broadband, Data & Voice domains. BIP collects data from various system including CRM, provisioning , faults , orchestration, network etc, integrate it and stores it in different normalisation forms. It provides analytical reporting capability via WCR to give high level management figures and detailed reporting.	Full year	
GENEVA	Work and billing system for the new Facility Management (FM) contract. Also includes the Cognos reporting system	Full year	Decommissioned
Atlantis	Atlantis produces invoices for most of Openreachâ€™s services and supplier charges. Charging is mainly asset based with usage based charging in place for WLR. Invoicing is either monthly or quarterly with capability available to also produce ad-hoc invoices and credit notes. It is based around a COTS package, RBM/NRM, provided by the vendor Netcracker.	Full Year	

Service level guarantees

Source System	Full system name and description	Period refreshed	Notes
CostPerform	CostPerform supports the regulatory reporting requirements of the business, providing Accounting Separation (AS) results and analysis that form the basis of the RFS.	Full year	
SIMPLE	Single Interface Making People's Life Easier - SIMPLE application is used by Operational users for testing, getting inventory details and perform routing of circuits for BT Wholesale L2C journey.	Mid-Point	
OR SLAM	The purpose of this project is to implement a SLA Management (SLAM) solution for the BT Openreach Service Level Guarantee (SLG) process. The key objectives of the project are to: • Ensure compliance with Ofcom requirements for SLG credit payments for service repair, service provision, Missed Appointments (MA) and Dead-On-Arrival (DOA) SLAs • Significantly reduce the amount of manual processing involved in SLG calculations and payments, in particular the use of spreadsheets and manual file transfers •	Full year	

Annex six: Reporting Sectors

1.1 Sectors Introduction

This section provides a description of key sectors involved in the cost allocation process.

A sector can be defined as the:

- Types of service provided by BT (Revenues);
- Main functional activities performed by BT (Operating Costs);
- Main fixed assets underpinning BT activities; or
- Other assets, liabilities and provisions incurred by BT in support of its services and activities.

Sectors are used as a way of grouping one or many codes into similar functional categories to make regulatory reporting more manageable. A list of all sectors identified in the RFS is included below.

1.2 Operating Cost Sectors

This section describes the operating cost sectors relating to activities that we provide to our customers.

EOI Input Prices

Services provided under an EOI obligation by Openreach are provided on an equivalent basis to all customers.

We have chosen not to present an attribution diagram as the costs attributed to SMP markets is less than five percent of the total costs.

Attribution of PI Costs

This represents the use of physical infrastructure assets by other markets e.g. WLA and LLA.

Wages and Salaries

Remuneration of all employees, including bonuses, sick pay, holiday, ex gratia payments and employee profit sharing; but excluding redundancy costs that are part of a leaver programme.

Social Security Costs

Contributions to state pension schemes and other social security costs, e.g. the company's contributions to local or national government schemes.

Other Pension Costs

Cost of the company's pension schemes or any non-state pension scheme to provide pensions to employees (excluding employees' contributions and the administration costs of pension schemes).

Share-based Payment Expense

The amount BT set aside during the year for allocation of ordinary BT Group shares to eligible employees.

Own Work Capitalised

Own work capitalised represents the direct labour costs of a unit capitalised, relating to the internal development activities and construction of property, plant and equipment.

Net Indirect Labour Costs

Labour costs provided by third parties.

Product Costs

Product costs are relating to the purchase of devices and customer premises equipment.

Sales Commissions

Sales commissions paid to employees and third parties.

Payments to Telecommunications Operators

Payments to telecommunication operators includes all charges associated with using other telecommunications networks, including payments less receipts from international satellite consortia for circuit rentals and payments to overseas telecommunications operators. Costs relating to rental of circuits should also be included.

Property and Energy Costs

Property & energy costs includes all costs associated with the occupancy of the property and engineering all utility related costs, including electricity, gas, oil and water.

Network Operating and IT Costs

Costs associated with the operation and maintenance of the group's network infrastructure and IT estate including hardware and software licences.

TV Programme Rights Charges

Charges relating to programme rights assets

Provision and Installation

Provision and installation includes costs of providing products and network services to customers. The largest of these costs relates to distribution side copper maintenance which is apportioned to services based on the number of lines, relative fault rates and service levels.

Marketing and Sales

Marketing and sales costs should include all costs for publicising and presenting the products and services of BT Group to customers. It should also include costs incurred to secure potential orders for BT's products and services

Net Impairment Losses on Trade Receivables and Other Contract Assets

Impairment costs where the carrying amount of trade receivables or contract assets may no longer be fully recoverable.

Other Operating Costs

This includes other costs including:

- Financing costs;
- Labour recoveries;
- Professional fees;
- General admin;
- Insurance costs; and
- Logistics and distribution costs

Other Operating Income

Income that BT receives from activities outside the provision of communication sales and services should be recognised as Other Operating Income. This includes:

- repayment works;
- proceeds from scrap and cable recovery;
- profits and losses on the disposals of business; and
- profits and losses on property, plant and equipment.

Depreciation

Depreciation is analysed between copper, duct, electronic, fibre, poles, land & buildings, funded assets, other assets, right of use asset (Rou) and software. The key drivers are engineering models and direct mapping of BT CoWs to network components and then onto the appropriate service based on usage factors and service volumes.

Specific Items

Specific items are costs identified by virtue of their size, nature or incidence. For example, these may include significant business restructuring programmes, acquisitions and disposals of businesses and investments, or property rationalisation programmes.

1.3 Balance Sheet Sectors

The sectors reported in the RFS 'Attribution of Wholesale Current Cost Mean Capital Employed' Statement, along with the key drivers of these sectors, are outlined below. The MCE within these categories follow methodologies set out within Part two, 5. Attribution methodologies dictionary of the AMD.

Duct

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

- CJD - Construction, Core Network. This asset class covers the provision and recovery/renewal of Core network duct.
- LDD - Construction - Local Distribution Duct for Copper Cable.
- LMD - Construction, Local Main (Exchange-side) Duct for Copper.
- LFD - Construction, Local Duct for Optical Fibre Cable.
- MUD - Construction, Main Underground Duct. This asset class covers the provision and recovery/renewal of Backhaul/Inner Core Duct. Construction covers all Core Network duct work.
- TVD - Cable TV Duct.

Poles

This sector contains the MCE values for poles, including multi and single user attachments, pole top equipment. The key driver mapping the POLES CoW to PIA components and then onto the appropriate service based on usage factors and PIA volumes.

Copper

This sector contains the MCE values for copper, which includes copper cables in the access network, as well as 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. The following CoWs are included in this reporting sector:

- LDC - Construction, Local Distribution Cable for the provision or recovery of Access Copper Distribution and Branch Cables applicable to the copper build programme. This covers all work to increase the capacity of the network. Excludes duct.
- LMC - Construction, Local/Main Exchange-side Cable relating to the provision or recovery of Access Copper main cables to increase the capacity of the network.
- NWB - Provision & Installation, Exchange lines (Business).
- NWR - Provision & Installation, Exchange lines (Residential).
- NTIS - Network Terminating Equipment Integrated Digital Access.

Fibre

This sector contains the MCE values for fibre, which includes the spine and distribution cables, as well as all other necessary equipment required to connect the end-user and the exchange. 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. The following COW's are included in this reporting sector:

- BHQ - Construction, Submarine Cable Inland.
- CJC - Construction, Junction Metallic Pair Cable.
- CJF - Construction, Junction Cable Optical Fibre.
- FTTX - FTTX Customer Premises Provision.
- LFDC and LFSC - Construction of Local Line Optical Fibre Spine and Distribution Cable such as the provision, re-arrangement and recovery of optical fibre cable, blown fibre tubing, blown fibre bundle, and sub duct in the access fibre network.
- LFME - Construction, Local Network Service Module Equipment.

Electronics

This sector contains the MCE values for electronics. 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. The following CoWs are included in this reporting sector:

- COR21 - 21CN Metro Node Equipment.
- CRF - Construction, Junction Repeaters, OF.
- DTTS - Construction, Short-Haul Multimode of Private Ccts.
- DTTSW - Construction of SHDs links for BT Wholesale Products.
- DTTW - Provision and upgrades for GS Wavestream, Openreach OSA & OSEA.
- IPNC - IP Network Capital.
- LFXE - Local Fibre Transmission.
- LXTM - Construction, Local Exch. Test & Measure Equip.
- MDX - Construction, Main Network Switching Digital.
- TPWA - Construction, Access Radio Systems.
- WDM21 - 21CN WDM Equipment.

Software

Software licences purchased from third parties and the capitalised cost of internally developed software, including the direct and indirect labour costs of development. The following COWs are included in this reporting sector:

- COMPS - Internally Developed Software.
- COMPG - Computer (BT own use) Externally Purchased Software (FAR).

- IDCMP - Ignite Application Service Capital.
- LIC - Licences for Intangible assets.
- NPDGX - NPDGX BTexaCT (Dummy COW).
- PROD - Product and Service Development.

Land and Buildings

This sector contains the MCE values that are booked to BT CoWs for land and buildings, including freehold, long leases and short leases. It includes corporate offices and network buildings owned or leased by BT.

Buildings held under leases are recognised as RoU assets under IFRS16. To maintain comparability between the ROCE reported in the RFS and Ofcom's approach to setting prices, we have included the RoU liability due after more than one year for the Telereal property lease in our asset base, as it forms the majority of the IFRS 16 balance. Asset values are mainly apportioned based on the use of floor space.

The following COWs are included in this reporting sector:

- BCI - Building Construction Integral Features - BCI.
- BCR - Buildings construction, Refurbishment (FAR). Refurbishment costs: building costs which, excluding work as defined as extensions, results in a genuine improvement and will lead to an enhancement in the letting value of the property.
- BFH - Building Freehold.
- BLL - Buildings Long Lease.
- BSL - Buildings Short Lease.
- LFH - Land Long Lease.
- PSC - Property Site Clearance.

Right of Use Assets

Assets recognised in respect of the group's right to use the underlying assets in lease arrangements. These predominantly our leased property portfolio (office, retail and exchange estate), network infrastructure (mainly mobile and switch sites) and motor vehicles.

Other Assets

This sector contains the MCE values for a range of assets used by BT businesses including categories such as Motor Transport and 21st Century Network (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.

Funded Assets

Government grant funding is received 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 (e.g. Broadband Delivery UK (BDUK) grant funding received from the Department of Culture Media and Sport; and European Regional Development Fund (ERDF) grants).

Annex seven: GL code markers

Finance Types

GL codes can be categorised by their characteristics into groupings referred to as Finance Types. One Finance Type marking is applied to all GL codes. The Finance Types used are as follows:

Finance Type Code	Finance Type Description
B	Pay
C	Creditors
D	Stores
E	CCA Depreciation Other ADJs P&L
F	Depreciation Charge P&L
G	T & S
H	Other
I	Amortisation charge (intangible assets)
K	Debtors
N	CCA Gross Other ADJs P&L
O	Registered GBV BS
P	Accumulated Depreciation BS
Q	Asset Under Construction (AUC) Opening Balance BS
R	AUC Registrations
T	CCA Uplift HCAD to CCAD BS
U	Unclassified
W	CCA Uplift GBV to GRC BS
Y	CCA Gross Price Var P&L

Transaction Types

GL codes can be categorised by their characteristics into groupings referred to as Transaction Types. One Transaction Type marking is applied to all GL codes. The Transaction Types used are as follows:

Transaction Type Code	Transaction Type Description
A	Income
C	Revenue Costs in Operating Profit
F	Revenue Costs Excluded
G	Capital Spend
J	Balance Sheet Included
K	Balance Sheet Excluded

Summary Types

GL codes can be categorised by their characteristics into groupings referred to as Summary Types. One Summary Type marking is applied to all GL codes. The Summary Types used are as follows:

Summary Type Code	Summary Type Description
CA	Current Assets
CL	Current Liabilities & Provisions
EO	Current Other
EP	Current Pay
FA	Fixed Assets
FU	Funding
IN	Income
TO	Intragroup Expenditure In/Out
UU	Unclassified

Annex eight: Components for Physical Infrastructure Access Recharge

This annex provides the list of PGs, components and services that relate to the PIA recharge, which is explained in Part Two, Section 6. "Physical Infrastructure Access Recharge" .

List of PGs, Components and Services

The tables below sets out the relationship between PIA components and services which solely facilitate the recharge of PIA costs to services in other markets:

Component	Service	Description
CJ001	SJ001	Spine Duct - 1 Bore Internal
CJ002	SJ002	Lead in Duct Internal
CJ003	SJ003	Footway Box - Manholes Internal
CJ004	SJ004	Joint Boxes Internal
CJ005	SJ005	Poles Internal
CJ006	SJ006	Spine Duct Internal RAV
CJ007	SJ007	Lead in Duct Internal RAV
CJ008	SJ008	Manholes Internal RAV
CJ009	SJ009	Joint Boxes Internal RAV
CJ016	SJ016	Duct Network Adjustments above financial limit Internal
CJ010	SJ018	Spine Duct - 2 Bore Internal
CJ012	SJ020	Spine Duct - 2 Bore Internal RAV
CJ011	SJ019	Spine Duct - 3+ Bore Internal
CJ013	SJ021	Spine Duct - 3+ Bore Internal RAV
CJ014	SJ025	Poles - single-end-user attachment Internal

Service	Description
SJ010	Spine Duct - 1 Bore External
SJ011	Lead in Duct Rental External
SJ012	Footway Box - Manholes Rental External
SJ013	Footway Box - Joint Boxes Rental External
SJ014	Poles - multi-end-user attachment External
SJ015	Ancillary Charges External
SJ017	Duct Network Adjustments above financial limit External
SJ022	Spine Duct - 2 Bore External
SJ024	Spine Duct - 3+ Bore External

Service	Description
SJ028	Poles - single-end-user attachment External
SJ029	Pole top equipment External
SJ030	Cable up a pole External

The following PGs are used in allocation of costs and MCE associated with duct and poles:

PG	Name
PG101D	Duct Infrastructure
PG100D	Duct RAV
PG200P	Poles Capex
PG201P	Poles Repair
PG950C	GEA FTTC Access Fibre Spine
PG948C	GEA FTTP Access Fibre Spine
PG111C	Access Fibre Spine
PG951C	GEA FTTC Distribution Fibre
PG949C	GEA FTTP Distribution Fibre
PG959C	Access Distribution Fibre
PG999A	FTTC Funded Fibre Rollout Spend
PG990A	FTTP Funded Fibre Rollout Spend
PG117C	E-side Copper Cable
PG118C	D-side Copper Cable
PG170B	Backhaul Fibre
PG350N	Core Fibre
PG149A	Analogue Line Final Drop

Annex nine: Calculation Steps

5.1 Journals

The values presented within the calculation step 'Worked Example' are notional and do not represent actual data.

Decapitalisation Journals

Details for the journals are included in: Section 5.1: Decapitalisation Journals.

Decapitalisation of Abortive Visit Charges

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.3Y.1	This step: • Summarises the Opening and Closing NBV balances • Summarises the related CCA adjustments • Calculates the Opening and Closing NRC balances by combining the above NBV data is obtained from the SAP Fixed Asset Register report and CCA data is obtained from the "CCA CP Output"	For each CoW: • Opening NBV = Sum of [Opening NBV for all GL codes within CoW] • Opening CCA adjustments = Sum of [Opening CCA adjustments for all GL codes within CoW] • Closing NBV = Sum of [Closing NBV for all GL codes within CoW] • Closing CCA adjustments = Sum of [Closing CCA adjustments for all GL codes within CoW] Opening NRC = [Opening NBV$_{(Result\ from\ above)}$] + [Opening CCA adjustments$_{(Result\ from\ above)}$] Closing NRC = [Closing NBV$_{(Result\ from\ above)}$] + [Closing CCA adjustments$_{(Result\ from\ above)}$]	Opening NBV = £500m Opening CCA adjustments = £80m Closing NBV = £550m Closing CCA adjustments = £100m Opening NRC = £500m + £80m Closing NRC = £550m + £100m	Opening NRC = £580m Closing NRC = £650m
2	223.3Y.2	This step: • Summarises the depreciation expense per CoW. • Calculates the in-year additions by adding the depreciation expense to the NRC movement. • Applies the AVC proportion to these balances. AVC proportion % is obtained from the calculations for PDTEPD (Expedite costs) at step 11.	For each CoW: Depreciation expense = Sum of [Depreciation expense for all GL codes within CoW] Additions = [Closing NRC $_{(Result\ from\ step\ 1)}$] – [Opening NRC $_{(Result\ from\ step\ 1)}$] + [Depreciation expense $_{(Result\ from\ above)}$] - [Disposals] AVC Opening NRC = [Opening NRC $_{(Result\ from\ step\ 1)}$] * [AVC Provision Proportion] AVC Depreciation expense = [Depreciation expense $_{(Result\ from\ above)}$] * [AVC Provision Proportion] AVC Additions = [Additions $_{(Result\ from\ above)}$] * [AVC Provision Proportion] Balance closing = Balance opening +additions - depreciation	Depreciation expense = £100m Additions = £650m- £580m + £100m - £0m AVC Opening NRC = £580m * 2.5% AVC Depreciation expense = £100m * 2.5% AVC Additions = £170m * 2.5% Balance closing = £12+£1m-£2m	Additions = £170m AVC Opening NRC = £14.5m AVC Depreciation expense = £2.5m AVC Additions = £4.25m Balance closing = £11m
3	223.3Y.3	This step calculates the initial posting before being summarised within Step 4 below	Prior year accumulated capex and current year capex including depreciation: • Debit: Reserves = [AVC Opening NRC $_{(Result\ from\ step\ 2)}$] + AVC Additions and Depreciation expense • Credit: MCE = [AVC Opening NRC $_{(Result\ from\ step\ 2)}$] + AVC Additions + Depreciation expense In-year depreciation: • Debit: MCE = [AVC Depreciation expense $_{(Result\ from\ step\ 2)}$] • Credit: Depreciation expense = [AVC Depreciation expense $_{(Result\ from\ step\ 2)}$] Current year capex: • Debit: Operating expenses = [AVC Additions $_{(Result\ from\ step\ 2)}$] • Credit: MCE = [AVC Additions $_{(Result\ from\ step\ 2)}$]	N/A	N/A
4	223.3Y.3	This step calculates the Closing Journal	Prior year accumulated capex: • Debit: Reserves = [AVC Opening NRC $_{(Result\ from\ step\ 2)}$] • Credit: MCE = [AVC Opening NRC $_{(Result\ from\ step\ 2)}$] In-year depreciation: • Debit: Reserves = [AVC Depreciation expense $_{(Result\ from\ step\ 2)}$] • Credit: Depreciation expense = [AVC Depreciation expense $_{(Result\ from\ step\ 2)}$] Current year capex: • Debit: Operating expenses = [AVC Additions $_{(Result\ from\ step\ 2)}$] • Credit: MCE = [AVC Additions $_{(Result\ from\ step\ 2)}$]	N/A	N/A
5	223.3Y.3	This step calculates the Opening Journal Balances are obtained from the Closing Journal from last year	N/A	N/A	N/A

Decapitalisation of Above the Line Network Adjustments

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	224.3G.1	This step calculates the internal and external duct network adjustments relating to all CoWs.	Part A: • Internal Network Adj Cost GRC closing = Internal Network Adj Cost GBV opening * Indexation Part B: • Internal Annual Depreciation Inc CCA = Internal Network Adj Cost GRC/ Asset Life/2 Part C: • Int. NA NBV = Internal Network Adj Cost GBV - Internal Annual Depreciation exc CCA Repeat for external.	Part A = £1.9m * 1.053 Part B = £4m / 40/2 Part C = £2m - £0.05m Repeat for external Part C (External) = £1m	Part A = £2m Part B = £0.05m Part C = £1.95m Repeat for external Part C (External) = £1m
2	224.3F.1	This step calculates the four core values needed to form the journal. 1. Network Adjustments operating cost 2. Depreciation charged in year 3. Total GRC of duct assets 4. Accumulated depreciation to date Network Adjustments operating cost (P&L) is the in-year additions to duct network adjustments above the financial limit.	Network Adjustments operating cost = [Network Adjustments additions above the FL (Duct assets related only)] Other values as per summary.	Network Adjustments operating cost = £5m Depreciation charged in year (Result from step 1) = £0.06m Total GRC of duct assets (Result from step 1) = £8m Accumulated depreciation to date (Result from step 1) = £0.2m	Network Adjustments operating cost = £5m Depreciation charged in year = £0.06m Total GRC of duct assets = £8m Accumulated depreciation to date = £0.2m
3	224.3F.2	The journal balance to be decapitalised outside the RFS is calculated. Depreciation charge in the current year is reversed.	Amount decapitalised outside the RFS = Total GRC of duct assets - Accumulated depreciation to date - Network Adjustments operating cost + Depreciation charged in year Network Adjustments Depreciation charged in current year reversal = [-1] * [Network Adjustments Depreciation charged in current year (Result from step 1)]	Amount decapitalised outside the RFS = £8m - £0.2m - £5m + £0.06m Network Adjustments Depreciation expense reversal = -1 * £0.06m	Amount decapitalised outside the RFS = £2.86m Network Adjustments Depreciation expense reversal = -£0.06m
4	224.3F.3	This step calculates the reversal of total GRC of duct assets	Total GRC of duct assets reversal = [-1] * [Total GRC of duct assets (Result from step 1)]	Total GRC of duct assets = -1 * £8m	Total GRC of duct assets reversal = -£8m
5	224.3F.4	This step calculates the Closing Journal as below: Removal of capitalisation in the Fixed Assets, booking as current year cost, reversal of current year depreciation, and moving prior year capitalised amounts outside of the RFS: • Credit: 15400013 (Total GRC of duct assets) • Debit: 1570013 (Accumulated depreciation to date) • Debit: 71000013 (Network Adjustments operating cost) • Debit: 30000013 (Amount decapitalised outside the RFS) • Credit: 71000013 (Depreciation charged in year) Opening Journal Balances are obtained from the closing journal from last year. Note: This is the same journal as closing journal.	Removal of capitalisation in the Fixed Assets, booking as current year cost, reversal of current year depreciation, and moving prior year capitalised amounts outside of the RFS: • Credit: 15400013 [Total GRC of duct assets (Result from step 2)] • Debit: 1570013 (Accumulated depreciation to date (Result from step 1)) • Debit: 71000013 [Network Adjustments operating cost (Result from step 1)] • Debit: 30000013 (Amount decapitalised outside the RFS (Result from step 2)] • Credit: 71000013 [Depreciation charged in year (Result from step 1)] Opening Journal Balances are obtained from the closing journal from last year. Note: This is the same journal as closing journal.	Amounts as per steps 1, 2 and 3 Amounts as per last year.	Amounts as per steps 1, 2 and 3 Amounts as per last year.

Decapitalisation of Cablelink

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.3Q.1	This step calculates in-year additions by subtracting closing balance from the opening balance. Data is obtained from the Cablelink Balance Sheet Data.	For each relevant Cablelink spend: Opening Cablelink GBV = Cablelink spend for all years excluding the current year Closing Cablelink GBV = Cablelink spend for all years including the current year Additions = Closing Cablelink GBV - Opening Cablelink GBV	For each Cablelink spend: Additions = £200k - £50k	 Additions = £50k
2	223.3Q.2	This step summarises the Opening Accumulated Depreciation, in-year Depreciation and Closing Accumulated Depreciation by GL code. Useful economic lives (UEL) are obtained from SAP Fixed Asset Register. Period & Year of spend are obtained from the Cablelink Balance Sheet Data	For each relevant Cablelink spend: Months of Depreciation = Months since period & year of spend until end of last year Opening Cablelink AD = [Opening Cablelink GBV $_{(from\ step\ 1)}$] / [UEL] * [Months of Depreciation] In-year depreciation = [Closing Cablelink GBV$_{(from\ step\ 1)}$] / [UEL] * [Months in use during current year] Closing Cablelink AD = [Opening Cablelink AD$_{(Result\ from\ above)}$] + [In-year depreciation$_{(Result\ from\ above)}$] For each relevant GL code: GL_{χ} Opening Cablelink GBV = Sum of Opening Cablelink GBV for all spend with GL_{χ} GL_{χ} Closing Cablelink GBV = Sum of Closing Cablelink GBV for all spend with GL_{χ} GL_{χ} Opening Cablelink AD = Sum of Opening Cablelink AD for all spend with GL_{χ} GL_{χ} Closing Cablelink AD = Sum of Closing Cablelink AD for all spend with GL_{χ}	 Opening months in use = Apr-2017 to Mar-2020 Opening Cablelink AD = £900 / 180 months * 36 months In-year depreciation = £1,200 / 180 months * 12 months Closing Cablelink AD = £180 + £80 GL_1 Opening Cablelink GBV = $\sum$ [Opening Cablelink GBV for all spend with GL_1] GL_1 Closing Cablelink GBV = $\sum$ [Closing Cablelink GBV for all spend with GL_1] GL_1 Opening Cablelink AD = $\sum$ [Opening Cablelink AD for all spend with GL_1] GL_1 Closing Cablelink AD = $\sum$ [Closing Cablelink AD for all spend with GL_1]	 Opening months in use = 36 months Opening Cablelink AD = £180 In-year depreciation = £80 Closing Cablelink AD = £260 GL_1 Opening Cablelink GBV = £90k GL_1 Closing Cablelink GBV = £120k GL_1 Opening Cablelink AD = £18k GL_1 Closing Cablelink AD = £26k
3	223.3Q.3	This step: • Summarises the Opening NBV • Calculates the Closing Journal reversing the above Debit: Reserves Credit: MCE	For each relevant GL code: GL_{χ} Opening Cablelink NBV = [GL_{χ} Opening Cablelink GBV $_{(Result\ from\ step\ 2)}$] – [$GL_{\chi}$ Opening Cablelink AD $_{(Result\ from\ step\ 2)}$] GL_{χ} Closing Cablelink NBV = [GL_{χ} Closing Cablelink GBV $_{(Result\ from\ step\ 2)}$] – [$GL_{\chi}$ Closing Cablelink AD $_{(Result\ from\ step\ 2)}$] Summarise of the Opening NBV balance	 GL_1 Opening Cablelink NBV = £90k - £18k GL_1 Closing Cablelink NBV = £95k - £20k Total Opening balance NBV = £10k + £20k	 GL_1 Opening Cablelink NBV = £72k GL_1 Closing Cablelink NBV = £85k Total Opening Balance NBV = 30k
4	223.3Q.4	This step calculates the Closing Journal for the reversal of the in-Year Depreciation for CoW: LFDC. Debit: MCE Credit: Depreciation Expense	For each relevant GL code for LFDC CoW: GL_{χ} In-year depreciation = [GL_{χ} Closing Cablelink AD $_{(Result\ from\ step\ 2)}$] – [$GL_{\chi}$ Opening Cablelink AD $_{(Result\ from\ step\ 2)}$] Total in year depreciation = $\sum$ [GL_{χ} in year depreciation Cablelink $_{(Result\ from\ step\ 3)}$]	 GL_{1a} In-year depreciation = £15k - £10k Total in year depreciation = £10k + £20k	 GL_{1a} In-year depreciation = £5k Total in year depreciation = £35k
5	223.3Q.5	This step calculates the Closing Journal for the reversal of the In-Year Depreciation for CoW: LFSC. Debit: MCE Credit: Depreciation Expense	For each relevant GL code for LFSC CoW: GL_{χ} In-year depreciation = [GL_{χ} Closing Cablelink AD $_{(Result\ from\ step\ 2)}$] – [$GL_{\chi}$ Opening Cablelink AD $_{(Result\ from\ step\ 2)}$] Additions = Closing Cablelink GBV - Opening Cablelink GBV	 GL_{1b} In-year depreciation = £11k - £8k Additions = £15k - 10k	 GL_{1b} In-year depreciation = £3k Additions = £5k
6	223.3Q.6	This step calculates the Closing Journal for Additions Debit: Operating Expenses Credit: MCE	For each relevant GL code: GL_{χ} Current Year Additions = [GL_{χ} Closing Cablelink GBV $_{(Result\ from\ step\ 2)}$] – [$GL_{\chi}$ Opening Cablelink GBV $_{(Result\ from\ step\ 2)}$]	 GL_1 Current Year Additions = £120k - £90k	 GL_1 Current Year Additions = £30k
7	223.3Q.7	This step calculates the closing balances (CB) reversal journal by adding in the CB type for each line from the union of the figures in Step 3,4,5 and 6 above.			
8	223.3Q.8	This step calculates the Opening Balances (OB) reversal Journal. Balances are obtained from the Closing Balances (CB) Journal from last year. Note: This is the same journal as in steps 3, 4, 5 and 6.	Note: This is the same journal as in steps 3, 4, 5 and 6.	Amounts as per last year	Amounts as per last year.

Decapitalisation of Co-Mingling

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.3P.1	This step summarises the opening balance for GL accounts for ACPA CoW (Accommodation Plant - Access Services Division). Pre-allocation GL data is obtained from "Co-mingling BS MCE Ledger" input.	ACPA CoW Total Opening Balance = Sum of Opening Balance of all relevant GL Codes (CoW: ACPA)	ACPA CoW Total Opening Balance = £50k + £70k	ACPA CoW Total Opening Balance = £120k
2	223.3P.1	This step summarises the closing balance for GL accounts for ACPA CoW (Accommodation Plant - Access Services Division). Pre-allocation GL data is obtained from "Co-mingling BS MCE Ledger" input.	ACPA CoW Total Closing Balance = Sum of Closing Balance of all relevant GL Codes (CoW: ACPA)	ACPA CoW Total Closing Balance = £100k + £45k	ACPA CoW Total Closing Balance = £145k
3	223.3P.2	This step summarises the depreciation expense for GL accounts for ACPA CoW (Accommodation Plant - Access Services Division). Pre-allocation GL data is obtained from "Co-mingling OPEX Ledger" input.	ACPA CoW Total Depreciation Expense = Sum of Depreciation Expense of all relevant GL Code & organisational area combinations (CoW: ACPA)	ACPA CoW Total Depreciation Expense = £20k + £10k	ACPA CoW Total Depreciation Expense = -£30k
4	223.3P.3	This step summarises the opening balance for BDUK (Broadband Delivery UK) in GL accounts for ACPA CoW (Accommodation Plant - Access Services Division). Data is obtained from "BDUK Opening Balances" input, this is from step 3 of BDUK HCA adjustment with FTTC and FTTP split journal.	ACPA CoW Total BDUK Opening Balance = Sum of Opening BDUK Balance of all relevant GL Codes (CoW: ACPA)	ACPA CoW Total BDUK Opening Balance = £5k + £15k	ACPA CoW Total BDUK Opening Balance = £20k
5	223.3P.4	This step summarises the closing balance for BDUK (Broadband Delivery UK) in GL accounts for ACPA CoW (Accommodation Plant - Access Services Division). Data is obtained from "BDUK Closing Balances" input, this is from step 3 of BDUK HCA adjustment with FTTC and FTTP split journal.	ACPA CoW Total BDUK Closing Balance = Sum of Closing BDUK Balance of all relevant GL Codes (CoW: ACPA)	ACPA CoW Total BDUK Closing Balance = £15k + £10k	ACPA CoW Total BDUK Closing Balance = £25k
6	223.3P.5	This step takes-off the BDUK balances (CoW: ACPA) from the total GL balances (CoW: ACPA) – this is done for both Opening and Closing balances. This step then calculates the additions balance for the GL accounts for ACPA CoW (Accommodation Plant - Access Services Division); by subtracting the opening balance, depreciation, and transfers from the closing balance	ACPA CoW Total Opening Balance excluding BDUK = [ACPA CoW Total Opening Balance$_{(Result\ from\ step\ 1)}$] – [ACPA CoW Total BDUK Opening Balance$_{(Result\ from\ step\ 5)}$] ACPA CoW Total Closing Balance excluding BDUK = [ACPA CoW Total Closing Balance$_{(Result\ from\ step\ 3)}$] – [ACPA CoW Total BDUK Closing Balance$_{(Result\ from\ step\ 6)}$] ACPA CoW Total Additions Balance = [ACPA CoW Total Closing Balance excluding BDUK $_{(Result\ from\ above)}$] – [ACPA CoW Total Opening Balance excluding BDUK $_{(Result\ from\ above)}$] – [ACPA CoW Total Depreciation Expense$_{(Result\ from\ step\ 4)}$]	ACPA CoW Total Opening Balance excluding BDUK = £120k - £20k ACPA CoW Total Closing Balance excluding BDUK = £145k - £25k ACPA CoW Total Additions Balance = £120k - £100k – (-£30k)	ACPA CoW Total Opening Balance excluding BDUK = £100k ACPA CoW Total Closing Balance excluding BDUK = £120k ACPA CoW Total Additions Balance = £70k
7	223.3P.6	This step calculates the apportioned balances for co-mingling services. Co-mingling apportionment rate is obtained from "Co-mingling apportionment" input. Note: The split of the ACPA (specialised accommodation) CoW between PG132B Co-mingling Recurring Costs and PG136A Survey Costs is driven by PDTACPA base. This base is fixed with 70% allocation to recurring costs and 30% allocation to survey costs.	Co-mingling Opening Balance = [ACPA CoW Total Opening Balance excluding BDUK$_{(Result\ from\ step\ 6)}$] * 30% Co-mingling Depreciation Expense = [ACPA CoW Total Depreciation Expense$_{(Result\ from\ step\ 3)}$] * 30% Co-mingling Additions Balance = [ACPA CoW Total Additions Balance$_{(Result\ from\ step\ 6)}$] * 30%	Co-mingling Opening Balance = £100k * 40% Co-mingling Depreciation Expense = -£30k * 30% Co-mingling Additions Balance = £70 * 30%	Co-mingling Opening Balance = £40k Co-mingling Depreciation Expense = -£9k Co-mingling Additions Balance = £21k
8	223.3P.7	This step calculates the Closing Balances (CB) Journal as below: Removal of capitalisation in the Fixed Assets opening balance: • Debit: Capital & Funding • Credit: FA NBV Removal of current year depreciation: • Debit: FA NBV • Credit: Depreciation expense Removal of current year capitalisation in the Fixed Assets and booking as current year cost: • Debit: Co-mingling Opex • Credit: FA GBV	Removal of capitalisation in the Fixed Assets opening balance: • Debit: Capital & Funding = [Co-mingling Opening Balance$_{(Result\ from\ step\ 8)}$] • Credit: FA GBV = [Co-mingling Opening Balance$_{(Result\ from\ step\ 7)}$] Removal of current year depreciation: • Debit: FA GBV = [Co-mingling Depreciation Expense$_{(Result\ from\ step\ 7)}$] • Credit: Dep exp = [Co-mingling Depreciation Expense$_{(Result\ from\ step\ 7)}$] Removal of current year capitalisation in the Fixed Assets and booking as current year cost: • Debit: Co-mingling Opex = [Co-mingling Additions Balance$_{(Result\ from\ step\ 7)}$] • Credit: FA GBV = [Co-mingling Additions Balance$_{(Result\ from\ step\ 7)}$]	Amounts as per step 7.	Amounts as per step 7.
9	223.3K.1	This step calculates the Opening Balances (OB) Journal. Balances are obtained from the Closing Balances (CB) Journal from last year. Note: This is the same journal as in step 8.	Note: This is the same journal as in step 8.	Amounts as per last year.	Amounts as per last year.

Decapitalisation of FTTX Customer Premises Provision

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.3R.1	This step produces the Opening Balances (OB) Journal output, taken from the consolidated outputs from the Prior Year run, filtered by FTTX CoW.	N/A	N/A	N/A
2	223.3R.3	This step calculates the Current Year Capex Additions for the FTTX CoW. Pre-allocation GL data is obtained from "MCE Report (FTTX CoW)" input. Then calculates the Depreciation charge for CY FTTX Additions.	CY FTTX Additions = Closing MCE Balance - Opening MCE Balance Depreciation on Additions = CY FTTX Additions * 0.5 / Asset Useful Life	CY FTTX Additions = £1,400m - £1,050m Depreciation on Additions = £350m * 0.5 / 10 Years	CY FTTX Additions = £350m Depreciation on Additions = £17.5m
3	223.3R.2	This step calculates the proportion of Capitalised FTTX costs recovered from upfront revenue received in-year.	CY Adjustment % = Min (CY FTTX Revenue / CY FTTX Additions $_{(Result\ from\ Step\ 2)}$, 1)	CY Adjustment % = Min (£220m / £350m, 1)	CY Adjustment % = 63%
4	223.3R.6	This step calculates the proportion of Opening MCE Balances decapitalised in the Prior Year and summarises the Opening Journal Balances to decapitalise: • Credit: Non-current assets • Debit: Reserves	Historic Adjustment % = Opening Journal Balance / Opening MCE Balance	Historic Adjustment % = £1,040m / £1,050m	Historic Adjustment % = 99%
5	223.3R.6	This step calculates the proportion of Additions to decapitalise: • Credit: Non-current assets • Debit: Opex And the proportion of Depreciation on Additions to reverse: • Credit: Opex • Debit: Non-current assets And the proportion of Historic Depreciation to reverse: • Credit: Opex • Debit: Non-current assets • Pre-allocation GL data is obtained from "OPEX Report (FTTX CoW)" input.	Closing Balance = CY FTTX Additions ($_{Result\ from\ Step\ 2}$) * CY Adjustment % ($_{Result\ from\ Step\ 3}$) Closing Balance = Depreciation on Additions ($_{Result\ from\ Step\ 2}$) * CY Adjustment % ($_{Result\ from\ Step\ 3}$) Closing Balance = (CY Depreciation - Depreciation on Additions $_{(Result\ from\ Step\ 2)}$) * Historic Adjustment % ($_{Result\ from\ Step\ 4}$)	Closing Balance = £350m * 63% Closing Balance = £17.5m * 63% Closing Balance = (£140m - £17.5m) * 99%	Closing Balance = £220m Closing Balance = £11m Closing Balance = £121m

Decapitalisation of WLA Tie Cables

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	212.3.1: Cost % of Syn Categories	This step calculates the proportion of the Synthetic Categories 'Survey and Installations' cost as a % of total cost of synthetic categories in each year. The cost data is obtained from surveys.	For each synthetic category in each year: Survey and Installations % = Cost / Grand Total	For Installation Syn. category in 2014/15: Survey and Installations % = £780k / £1,500k	Survey and Installations % = 52%
2	212.3.2: TAMS Capex	This step calculates total capex for relevant sub-programmes	For each year: Capex excl Stores = Total evoTAM Capex for relevant sub-programme – Stores Capex (tie cables)	Capex excl Stores = £5m - £3.5m	Capex ex Stores = £1.5m
3	212.3.3: Depreciation Estimate	This step estimates depreciation of TAMS capex booked to policy code CLLU: Part A: Estimates total TAMS capex for each synthetic category in each year Part B: Estimates Depreciation value for each year	Part A: Total TAMS capex for each synthetic category = capex ex stores$_{(Results\ from\ Step\ 2)}$ x survey and installations percentage$_{(Result\ from\ Step\ 1)}$ Part B: Estimated depreciation = Total TAMS capex$_{(Result\ from\ Step\ 3,\ Part\ A)}$ / Asset Life	Part A: Total TAMS capex For Installation in 2014/15 = £1.5m x 52% = £0.8m Part B: Estimated depreciation in 2014/15 = £0.8m / 18	Estimated depreciation in 2014/15 = £0.04m
4	017.3J.2: Estimated TAMS Depreciation	This step calculates the estimated depreciation for TAMs, for P12 in policy code CLLU (LMC CoW). Part A: Calculate percent depreciated for each year Part B: Calculate closing balances Part C: Calculate opening balances	For each year: Part A: % depreciated = years elapsed/TAMS asset life Part B: Closing balance = additions$_{(result\ from\ step\ 2)}$ x % depreciated Part C: Opening balance = closing balance + estimated depreciation	Part A: % depreciated in year$_n$ = 6 years / 18 years = 0.3333 Part B: Closing balance year$_n$ = £0.8m x 0.3333 = £0.27m Part C: Opening balance year$_n$ = £0.27m + 0.04 = £0.31m	% closing balance in year$_n$ = £0.27m % opening balance in year$_n$ = £0.31m
5	017.3J.3: Total Estimated TAMS Balances	This step sums up the individual years into total TAMS balances Part A: Calculate total opening balance Part B: Calculate total closing balance Part C: Calculate total annual depreciation	Part A: Total opening = opening year 1$_{(result\ from\ step\ 4)}$ + opening year n$_{(result\ from\ step\ 4)}$ Part B: Total closing = closing year 1$_{(result\ from\ step\ 4)}$ + closing year n$_{(result\ from\ step\ 4)}$ Part C: Total annual depreciation = annual depreciation year 1$_{(result\ from\ step\ 3)}$ + annual depreciation year n$_{(result\ from\ step\ 3)}$	Part A: Total opening = opening year 1 + opening year n = £29m Part B: Total closing = closing year 1 + closing year n = £27m Part C: Total annual depreciation = annual depreciation year 1 + annual depreciation year n = £2m	Opening balance = £29m Depreciation = £2m Closing balance = £27m

#	Container Ref	Summary	Calculation	Worked Example	Example Results
6	017.3J.4: CLLU Excluding TAMS	This step calculates the tie cables values on policy code CLLU by subtracting TAMS Part A: Calculate opening balance Part B: Calculate in year additions Part C: Calculate in year depreciation Part D: Calculate closing balance	 Part A: CLLU ex TAMS opening = CLLU opening – TAMS opening$_{(result\ from\ step\ 5)}$ Part B: CLLU ex TAMS additions = CLLU additions – TAMS additions Part C: CLLU ex TAMS depreciation = CLLU depreciation – TAMS depreciation$_{(result\ from\ step\ 5)}$ Part D: CLLU ex TAMS closing = CLLU closing – TAMS closing$_{(result\ from\ step\ 5)}$	 Part A: CLLU ex TAMS opening = £100m - £29m Part B: CLLU ex TAMS additions = £0.1m – 0 Part C: CLLU ex TAMS depreciation = £17m - £2m Part D: CLLU ex TAMS closing = £84m - £27m	 CLLU ex TAMS opening = £71m CLLU ex TAMS additions = £0.1m CLLU ex TAMS depreciation = £15m CLLU ex TAMS closing = 57m
7	017.3J.5: Tie cables share of LMC	This step calculates the CLLU ex TAMS share of total LMC values Part A: Calculate opening balance share Part B: Calculate in year additions share Part C: Calculate in year depreciation share	 Part A: CLLU ex TAMS opening share = CLLU ex TAMS opening / LMC opening$_{(result\ from\ step\ 6)}$ Part B: CLLU ex TAMS additions share = CLLU ex TAMS additions / LMC additions$_{(result\ from\ step\ 6)}$ Part C: CLLU ex TAMS depreciation share = CLLU ex TAMS depreciation / LMC depreciation$_{(result\ from\ step\ 6)}$	 Part A: CLLU ex TAMS opening share = £71m / £750m Part B: CLLU ex TAMS additions share = £0.1m / £18m Part C: CLLU ex TAMS depreciation share = £15m / £85m	 CLLU ex TAMS opening share = 9% CLLU ex TAMS additions = 1% CLLU ex TAMS depreciation = 18%
8	017.3J.6: BDUK LMC value	This step calculates the BDUK LMC balances Part A: Calculate in year additions Part B: Calculate closing balance Part C: Calculate opening balance	 Part A: BDUK LMC additions = BDUK LMC closing GBV - BDUK LMC opening GBV Part B: BDUK LMC closing = BDUK LMC closing GBV - BDUK LMC closing accumulated depreciation Part C: BDUK LMC opening = BDUK LMC closing$_{(result\ from\ part\ B)}$ + BDUK LMC depreciation - BDUK LMC additions$_{(result\ from\ part\ A)}$	 Part A: BDUK LMC additions = £160m - £160m Part B: BDUK LMC closing = £160m - £50m Part C: BDUK LMC opening = £110m + £10m - £0m	 BDUK LMC additions = £0m BDUK LMC closing = £110m BDUK LMC opening = £120m
9	017.3J.7: Tie Cables excluding BDUK	This step calculates the BDUK adjustment to tie cables based on CLLU ex TAMS share of total LMC and BDUK LMC balances Part A: Calculate opening balance Part B: Calculate in year additions Part C: Calculate in year depreciation	 Part A: BDUK opening adjustment = CLLU ex TAMS opening share$_{(result\ from\ step\ 7)}$ x BDUK LMC opening Part B: BDUK additions adjustment = CLLU ex TAMS additions share$_{(result\ from\ step\ 7)}$ x BDUK LMC additions Part C: BDUK depreciation adjustment = CLLU ex TAMS depreciation share$_{(result\ from\ step\ 7)}$ x BDUK LMC depreciation	 Part A: BDUK opening adjustment = 9% x £120m Part B: BDUK additions adjustment = 1% x £0m Part C: BDUK depreciation adjustment = 18% x £10m	 BDUK opening adjustment = £10.8m BDUK additions adjustment = £0m BDUK depreciation adjustment = £1.8m
10	017.3J.7: Tie Cables excluding BDUK	This step subtracts the BDUK tie cables values from CLLU ex TAMS to calculate non-BDUK tie cables Part A: Calculate opening balance Part B: Calculate in year additions Part C: Calculate in year depreciation	 Part A: non-BDUK tie cables opening = CLLU ex TAMS opening$_{(result\ from\ step\ 6)}$ - BDUK opening adjustment$_{(result\ from\ step\ 9)}$ Part B: non-BDUK tie cables additions = CLLU ex TAMS additions$_{(result\ from\ step\ 6)}$ - BDUK additions adjustment$_{(result\ from\ step\ 9)}$ Part C: non-BDUK tie cables depreciation = CLLU ex TAMS depreciation $_{(result\ from\ step\ 6)}$ - BDUK depreciation adjustment$_{(result\ from\ step\ 9)}$	 Part A: non-BDUK tie cables opening = £71m – £10.8m Part B: non-BDUK tie cables additions = £0.1m - £0m Part C: non-BDUK tie cables depreciation = £15m – £1.8m	 Part A: non-BDUK tie cables opening = £60.2m Part B: non-BDUK tie cables additions = £0.1m Part C: non-BDUK tie cables depreciation = £13.2m
11	017.3J.8 Tie Cables Pay	This step calculates the percentage split of pay and stores based on LMC values to separate the two	Pay % = sum of pay GLs / sum of pay and stores GLs Stores % = sum of stores GLs / sum of pay and stores GLs	Pay % = £16m / £20m Stores % = £4m / £20m	Pay % = 80% Stores % = 20%
12	017.3J.9 Tie Cables Decapitalisation	This step calculates the tie cables value to decaptialise by multiplying tie cables excluding BDUK by the tie cables pay percentage Part A: Calculate opening balance Part B: Calculate in year additions Part C: Calculate in year depreciation	 Part A: Tie cables decap opening = non-BDUK tie cables opening$_{(result\ from\ step\ 10)}$ x Pay %$_{(result\ from\ step\ 11)}$ Part B: Tie cables decap additions = non-BDUK tie cables additions$_{(result\ from\ step\ 10)}$ x Pay %$_{(result\ from\ step\ 11)}$ Part C: Tie cables decap depreciation = non-BDUK tie cables depreciation$_{(result\ from\ step\ 10)}$ x Pay %$_{(result\ from\ step\ 11)}$	 Part A: Tie cables decap opening = £60.2m x 80% Part B: Tie cables decap additions = £0.1m x 80% Part C: Tie cables decap depreciation = £13.2m x 80%	 Tie cables decap opening = £48.2m Tie cables decap additions = £0.1m Tie cables decap depreciation = £10.6m

#	Container Ref	Summary	Calculation	Worked Example	Example Results
13	017.4J.1 Closing Tie Cables Journal	This step calculates the Closing Journal as below: Removal of capitalisation in the Fixed Assets opening balance: • Debit: Capital & Funding • Credit: FA NBV Removal of current year depreciation: • Debit: FA NBV • Credit: Depreciation expense Removal of current year capitalisation in the Fixed Assets and booking as current year cost: • Debit: Tie Cable Opex • Credit: FA GBV	Removal of capitalisation in the Fixed Assets opening balance: • Debit: Capital & Funding = Tie Cable opening NBV allocation$_{(Result\ from\ step\ 12)}$ • Credit: FA GBV = Tie Cable opening NBV allocation$_{(Result\ from\ step\ 12)}$ Removal of current year depreciation: • Debit: FA GBV = Tie Cable depreciation expense allocation$_{(Result\ from\ step\ 12)}$ • Credit: Depreciation expense = Tie Cable depreciation expense allocation$_{(Result\ from\ step\ 12)}$ Removal of current year capitalisation in the Fixed Assets and booking as current year cost: • Debit: Tie Cable Opex = Tie Cable additions allocation$_{(Result\ from\ step\ 12)}$ • Credit: FA GBV = Tie Cable additions allocation$_{(Result\ from\ step\ 12)}$	Amounts as per step 11	Amounts as per step 11
14	017.4J.2 Opening Tie Cables Journal	This step calculates the Opening Journal. Balances are obtained from the Closing Journal from last year Note: This is the same journal as in step 13	Note: This is the same journal as in step 13	Amounts as per last year.	Amounts as per last year.

Decapitalisation of Excess Construction Charges

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	228.3J.1	Residual: This step calculates the weighting splits for Ethernet (Duct and Fibre) and Residual (Copper and Duct) ECCs, driven by non-BDUK funded Gross Book Value and Asset Life. Data is obtained from SAP Fixed Asset Register and ECC Asset Life. Classes of work: • LDC – Local Distribution Cable (Access Copper Cable) • LDD – Local Distribution Duct for Copper Cable (Backhaul and Core Duct) • LFDC – Local Fibre Distribution Cable (Access Fibre Cable)	Residual • CoW_χ Average Asset Life (years) = $\sum_{(all\ assets\ within\ CoW)}$ ([$Asset_\chi$ Book life (months)] * ([$Asset_\chi$ GBV] - [BDUK Funded $Asset_\chi$ GBV])) / ([CoW_χ GBV] - [Funded CoW_χ GBV])/ 12 • CoW_χ GBV weighting = [CoW_χ Average Asset Life (years)] * ([CoW_χ GBV] - [Funded CoW_χ GBV]) • CoW_χ weighting split = [CoW_χ GBV weighting] / [Total of all CoW GBV weighting] * 100 TISBO • Implied LDD weighting split = [ECCs Asset Life – LFDC Asset Life] / [LDD Asset Life – LFDC Asset Life] • Implied LDFC weighting split = 1 – Implied LDD weighting split	CoW_{LDD} Average Asset Life (years) = $\sum$ [(216 months * (£2.1m-0,1m) + (480 months * (£4.1m-0.1m)) + (180 months * (£6.1m-£0.1m))] / (£12.3m - £0.3m)/ 12 CoW_{LDD} GBV weighting = 23.83 years * (£12.3m-£0.3m) CoW_{LDD} weighting split = £286m / £1,021m * 100	CoW_{LDD} Average Asset Life (years) = 23.83 years CoW_{LDD} GBV weighting = £286m CoW_{LDD} weighting split = 28%
2	228.3J.2	Residual: This step calculates Capex Additions, In-Year Depreciation and NBV (MCE) for Residual ECCs, driven by Revenues for ECC services as well as historic (PY) calculated outputs. Data is obtained from ARC	TISBO • $Market_\chi$ Capex Additions = (Volume * Price) for ECC Services Residual • $Market_\chi$ Capex Additions = Sum of Reported Earned Revenue for ECC Services For all markets • $Market_\chi$ In-Year Depreciation = ($Market_\chi$ Capex Additions $_{(Result\ from\ above)}$ / Asset Life) + $Market_\chi$ Depreciation on Opening GBV (obtained from last year's $Market_\chi$ In-Year Depreciation) • $Market_\chi$ Closing NBV = $Market_\chi$ Opening NBV + $Market_\chi$ Capex Additions $_{(Result\ from\ above)}$ For each relevant Market & Category combination • $Market_\chi$ & $Category_\chi$ In-Year Depreciation = [$Market_\chi$ In-Year Depreciation $_{(Result\ from\ above)}$] * [CoW_χ weighting split $_{(Result\ from\ step\ 1)}$] • $Market_\chi$ & $Category_\chi$ Closing NBV = [$Market_\chi$ Closing NBV $_{(Result\ from\ above)}$] * [CoW_χ weighting split$_{(Result\ from\ step\ 1)}$]	$Market_{TISBO}$ Capex Additions = £2m $Market_{Residual}$ Capex Additions = £1.5m $Market_{TISBO}$ In-Year Depreciation = (£2m / 40 years) + £1m $Market_{TISBO}$ Closing NBV = £15m + £2m $Market_{TISBO}$ & $Category_{Duct}$ In-Year Depreciation = £1.05m * 28% $Market_{TISBO}$ & $Category_{Duct}$ Closing NBV = £17m * 28%	$Market_{TISBO}$ Capex Additions = £2m $Market_{Residual}$ Capex Additions = £1.5m $Market_{TISBO}$ In-Year Depreciation = £1.05m $Market_{TISBO}$ Closing GBV = £17m $Market_{TISBO}$ & $Category_{Duct}$ In-Year Depreciation = £0.30m $Market_{TISBO}$ & $Category_{Duct}$ Closing GBV = £4.76m

#	Container Ref	Summary	Calculation	Worked Example	Example Results
3	228.3J.3	This step calculates the ECC apportionment from the total cost of ECC jobs (i.e. the costs of providing circuits between ECCs and common network) Data is obtained from NIMS and the ECC Calculator.	For each relevant ECC category: • ECC category$_{\chi}$ apportionment of total ECC jobs cost = [Total costs from NIMS] * [Lower of volume as per NIMS and ECC Calculator] / [Total volume from NIMS]	ECC category$_{Cabling}$ apportionment of total ECC jobs cost = £500m * (£200m / £250m)	ECC category$_{Cabling}$ apportionment of total ECC jobs cost = £400m
4	228.3J.4	This step calculates the Revenue Adjustment Ratio for ECC Revenue vs ARC/RFS Revenue Data is obtained from ARC and ECC Calculator	Revenue Adjustment Ratio = ([Total ECC Revenue from RFS] + [ECC connection revenue per service @ fixed fee]) / [Total ECC Revenue from ECC Calculator]	Revenue Adjustment Ratio = (£1,200m + £1,350m) / £2,500m	Revenue Adjustment Ratio = 1.02
5	228.3J.5	This step allocates ECC costs to CoW and cost type (Pay, Stores and Other) Total Costs of all connections obtained from Capital Reporting via ORBIT. Survey cost is obtained from the ECC Calculator.	For each relevant ECC category: • CoW$_{\chi}$ ECC category$_{\chi}$ proportion = [CoW$_{\chi}$ ECC category$_{\chi}$ cost] / [Sum of ECC cost for all CoW$_{\chi}$ ECC categories] • CoW$_{\chi}$ ECC category$_{\chi}$ allocated cost = [CoW$_{\chi}$ ECC category$_{\chi}$ proportion$_{(Result\ from\ above)}$] * [ECC category$_{\chi}$ apportionment of total ECC jobs cost$_{(Result\ from\ step\ 3)}$] For each relevant CoW: • Total CoW$_{\chi}$ allocated cost = Sum of CoW$_{\chi}$ allocated cost for all ECC categories • • CoW$_{\chi}$ Survey cost = [Total Survey cost] * [Total CoW$_{\chi}$ allocated cost$_{(Result\ from\ above)}$] / [Sum of Total allocated cost for all CoWs] • CoW$_{\chi}$ total connection cost = [CoW$_{\chi}$ CostType$_{PAY}$ cost] + [CoW$_{\chi}$ CostType$_{STORES}$ cost] + [CoW$_{\chi}$ CostType$_{CONTRACT}$ cost] For each CostType (Pay, Stores and Contract (Other)): • CoW$_{\chi}$ CostType$_{\chi}$ Ratio = [CoW$_{\chi}$ CostType$_{\chi}$ cost$_{(Result\ from\ above)}$] / [CoW$_{\chi}$ total connection cost$_{(Result\ from\ above)}$] • CoW$_{\chi}$ allocated CostType$_{\chi}$ costs = ([Total CoW$_{\chi}$ allocated cost]$_{(Result\ from\ above)}$ * [CoW CostType$_{\chi}$ Ratio]$_{(Result\ from\ above)}$) + [CoW Survey cost$_{(Result\ from\ above)}$ {Survey cost is added to CostType Pay only}]	CoW$_{LFD}$ ECC category$_{Cabling}$ proportion = £500m / £1,800m CoW$_{LFD}$ ECC category$_{Cabling}$ allocated cost = 0.27 * £400m Total CoW$_{LFD}$ allocated cost = $\sum$ [[CoW$_{LFD}$ allocated cost for all ECC categories] CoW$_{LFD}$ Survey cost = £120m * £600m / £1,200m CoW$_{LFD}$ total connection cost = £50m + £70m + £80m CoW$_{LFD}$ CostType$_{PAY}$ Ratio = £50m / £250m CoW$_{LFD}$ allocated CostType$_{PAY}$ costs = £600m * 0.2 + £60m	CoW$_{LFD}$ ECC category$_{Cabling}$ proportion = 0.27 CoW$_{LFD}$ ECC category$_{Cabling}$ allocated cost = £108m Total CoW$_{LFD}$ allocated cost = £600m CoW$_{LFD}$ Survey cost = £60m CoW$_{LFD}$ total connection cost = £200 CoW$_{LFD}$ CostType$_{PAY}$ Ratio = 0.2 CoW$_{LFD}$ allocated CostType$_{PAY}$ costs = £180m
6	228.3J.6	This step calculates the CY Capex balances for the market (LFD, LFDC and LFSC)	For each relevant CoW and CostType combination: • CoW$_{\chi}$ ECCs Adjusted cost (Capex Additions) for CostType$_{\chi}$ = [CoW allocated costs for CostType$_{\chi(Result\ from\ step\ 5)}$] * [Revenue Adjustment Ratio$_{(Result\ from\ step\ 4)}$]	CoW$_{LFDC}$ ECCs Adjusted cost (Capex Additions) for CostType$_{PAY}$ = £180m * 1.02	CoW$_{LFDC}$ ECCs Adjusted cost (Capex Additions) for CostType$_{PAY}$ = £183.6m

#	Container Ref	Summary	Calculation	Worked Example	Example Results
7	228.3J.7	This step calculates the NBV and CY Depreciation balances for the market. Data is obtained from Historic Capex (GBV), Depreciation and MCE (NBV)	For each relevant CoW: • CY Fibre Capex Spine/Distribution Ratio CoW_{χ} = ([CoW_{χ} CY Capex] + [CoW_{χ} Capex from 16/17 to PY]) / ([Total CY Capex for Fibre Cable] + [Total Fibre Cable Capex from 16/17 to PY]) • CoW_{χ} Capex up to 15/16 = [GBV up to 15/16] * [CoW_{χ} weighting split $_{(Result\ from\ step\ 1)}$] * [CY Fibre Capex Spine/Distribution Ratio $CoW_{\chi\ (Result\ from\ above)}$] {Note: Spine/Distribution Ratio not used for LFD} • CoW_{χ} NBV up to 15/16 = [CoW_{χ} NBV up to 15/16] * [CoW_{χ} weighting split $_{(Result\ from\ step\ 1)}$] * [Historic Fibre Capex Spine/Distribution Ratio CoW_{χ}] {Note: Spine/Distribution Ratio not used for LFD} • CoW_{χ} In-Year Depreciation = ([CoW_{χ} CY Capex]/2 + [CoW_{χ} Capex from 16/17 to PY] + [CoW_{χ} Capex upto15/16] $_{(Result\ from\ above)}$) / [CoW_{χ} Average Asset Life (years)] • CoW_{χ} Total NBV = [CoW_{χ} NBV up to 15/16$_{(Result\ from\ above)}$] + [CoW_{χ} Capex from 16/17 to PY] – [CoW_{χ} Depreciation from 16/17 to PY] – [CoW_{χ} In-Year Depreciation$_{(Result\ from\ above)}$]	CY Fibre Capex Spine/Distribution Ratio CoW_{LFDC} = (£89m + £80m) / (£100m + £90m) CoW_{LFDC} Capex upto15/16 = £500m * 0.42 * 0.89 CoW_{LFDC} NBV upto15/16 = £300m * 0.42 * 0.88 CoW_{LFDC} In-Year Depreciation = `(£89 + £124.1m + £186.9m) / 40 years CoW_{LFDC} Total NBV = £110.88m + £124.1m – £18.98 – £10m	CY Fibre Capex Spine/Distribution Ratio CoW_{LFDC} = 0.89 CoW_{LFDC} Capex upto15/16 = £186.9m CoW_{LFDC} NBV upto15/16 = £110.88m CoW_{LFDC} In-Year Depreciation = £10m CoW_{LFDC} Total NBV = £206m
8	228.3J.8	This step calculates the Closing and Opening Journals	Removal of capitalisation in the Fixed Assets closing balance: • Debit: Capital & Funding = [$Market_{\chi}$ & $Category_{\chi}$ Closing GBV $_{(Result\ from\ step\ 2)}$] • Credit: FA GBV = [$Market_{\chi}$ & $Category_{\chi}$ Closing GBV $_{(Result\ from\ step\ 2)}$] Removal of capitalisation in the Fixed Assets opening balance: • Debit: Capital & Funding = [CoW_{χ} Total NBV $_{(Result\ from\ step\ 7)}$] • Credit: FA NBV = [$CoW_{\chi}$ Total NBV $_{(Result\ from\ step\ 7)}$] Removal of current year depreciation: TISBO and Residual • Debit: FA AD = [$Market_{\chi}$ & $Category_{\chi}$ In-Year Depreciation $_{(Result\ from\ step\ 2)}$] • Credit: Dep exp = [$Market_{\chi}$ & $Category_{\chi}$ In-Year Depreciation $_{(Result\ from\ step\ 2)}$] CISBO • Debit: FA NBV = [CoW_{χ} In-Year Depreciation $_{(Result\ from\ step\ 7)}$] • Credit: Dep exp = [$CoW_{\chi}$ In-Year Depreciation $_{(Result\ from\ step\ 7)}$] Removal of current year capitalisation in the Fixed Assets and booking as current year cost: CISBO • Debit: ECC Opex = [CoW_{χ} ECCs Adjusted cost (Capex Additions) for $CostType_{\chi}$ $_{(Result\ from\ step\ 6)}$] • Credit: FA NBV = [$CoW_{\chi}$ ECCs Adjusted cost (Capex Additions) for $CostType_{\chi}$ $_{(Result\ from\ step\ 6)}$] Opening Journal Balances are obtained from the Closing Journal from last year.	Amounts as per steps 2, 6 and 7. Amounts as per last year.	Amounts as per steps 2, 6 and 7. Amounts as per last year.

Decapitalisation of Expedite Charges

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.3Z.1	This step first summarises the Opening and Closing NBV balances for the NWB and NWR CoWs and the related CCA adjustments. Then, it adds the NBV and CCA adjustments to calculate the Opening and Closing NRC balances. NBV data is obtained from the "Pre-Allocation report" and the CCA adjustments are obtained from the "CCA CP Output", both filtered for PDTEPD base (NWB/NWR CoWs). Relevant CoW: • NWB (Provision & Installation, Exchange lines (Business)) • NWR (Provision & Installation, Exchange lines (Residential)) CoWs.	For each relevant CoW (NWB and NWR): Opening NBV = Sum of [Opening NBV for all GL codes within CoW] Opening CCA adjustments = Sum of [Opening CCA adjustments for all GL codes within CoW] Closing NBV = Sum of [Closing NBV for all GL codes within CoW] Closing CCA adjustments = Sum of [Closing CCA adjustments for all GL codes within CoW] Opening NRC = [Opening $NBV_{(Result\ from\ above)}$] + [Opening CCA $adjustments_{(Result\ from\ above)}$] Closing NRC = [Closing $NBV_{(Result\ from\ above)}$] + [Closing CCA $adjustments_{(Result\ from\ above)}$]	Opening NBV = £200k +£500k + £300k Opening CCA adjustments = £100k + £100k Closing NBV = £1,000k + £300k Closing CCA adjustments = £200k + £100k Opening NRC = £1,000k + £200k Closing NRC = £1,300k + £300k	Opening NBV = £1,000k Opening CCA adjustments = £200k Closing NBV = £1,300k Closing CCA adjustments = £300k Opening NRC = £1,200k Closing NRC = £1,600k
2	223.3Z.2	This step: • Summarises the depreciation expense for the NWB and NWR CoWs. • Calculates the additions during the year by adding depreciation expense to the NRC movements. • Calculates the proportional balances for the Expedites Provision using the Expedites Proportion. Proportion % is obtained from the calculations for PDTEPD (Expedite costs) step 11.	For each relevant CoW (NWB and NWR): Depreciation expense = Sum of [depreciation expense for all GL codes within CoW] Additions = [Closing $NRC_{(Result\ from\ step\ 1)}$] – [Opening $NRC_{(Result\ from\ step\ 1)}$] + [Depreciation $expense_{(Result\ from\ above)}$] Expedites Opening NRC = [Opening $NRC_{(Result\ from\ step\ 1)}$] * [Expedites Provision Proportion] Expedites Deprecation expense = [Depreciation $expense_{(Result\ from\ above)}$] * [Expedites Provision Proportion] Expedites Additions = [$Additions_{(Result\ from\ above)}$] * [Expedites Provision Proportion]	Depreciation expense = £300k + £100k Additions = £1,600k - £1,200k + £400k Expedites Opening NRC = £1,200k * 2% Expedites Deprecation expense = £400k * 2% Expedites Additions = £800k * 2%	Depreciation expense = £400k Additions = £800k Expedites Opening NRC = £24k Expedites Deprecation expense = £8k Expedites Additions = £16k
3	223.3Z.3	This step calculates the Closing Journal as below: Removal of capitalisation in the Fixed Assets opening balance: • Debit: Capital & Funding • Credit: FA NBV Removal of current year depreciation: • Debit: FA NBV • Credit: Depreciation expense Removal of current year capitalisation in the Fixed Assets and booking as current year cost: • Debit: Expedites Opex • Credit: FA GBV	Removal of capitalisation in the Fixed Assets opening balance: • Debit: Capital & Funding = [Expedites Opening $NRC_{(Result\ from\ step\ 2)}$] • Credit: FA GBV = [Expedites Opening $NRC_{(Result\ from\ step\ 2)}$] Removal of current year depreciation: • Debit: FA GBV = [Expedites Depreciation $expense_{(Result\ from\ step\ 2)}$] • Credit: Depreciation expense = [Expedites Depreciation $expense_{(Result\ from\ step\ 2)}$] Removal of current year capitalisation in the Fixed Assets and booking as current year cost: • Debit: Expedites Opex = [Expedites $Additions_{(Result\ from\ step\ 2)}$] • Credit: FA GBV = [Expedites $Additions_{(Result\ from\ step\ 2)}$]	Amounts as per step 2.	Amounts as per step 2.
4	223.3Zb.1	This step calculates the Opening Journal. Balances are obtained from the Closing Journal from last year. Note: This is the same journal as in step 3.	Note: This is the same journal as in step 3.	Amounts as per last year.	Amounts as per last year.

BDUK CCA Adjustments

Details for the journal are included in: Section 5.1: BDUK CCA adjustments

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	64.3A.1	This step calculates the Historical Cost Accounting (HCA) Opening and Closing balances for Gross Book Value (GBV) and Accumulated Depreciation (AD). Current Year (CY) Depreciation is also calculated in this step. GBV and Opening AD balances are obtained from the "Capex Reports" from each BU and Useful Asset Lives are obtained from "Book Lives" input. This step is done separately for Openreach (OR), Northern Ireland (NI) and Technology using the same logic/methodology.	HCA Opening Balances: • GBV Opening = Amount per Source Data (This is set to nil if the Asset Service Date has not started at the Current Financial Year (FY) Start Date) • Accumulated Depreciation (AD) Opening = Prior Year (PY) Closing Accumulated Depreciation HCA CY Depreciation: • Monthly Depreciation = Gross Book Value (GBV) / Useful Asset Life (UAL) in months • Current Year (CY) Depreciation = Monthly Depreciation * No. of months in use during CY HCA Closing Balances: • GBV Closing = Amount per Source Data (This is set to nil if the Asset Service Date has not started at the Current Financial Year (FY) End Date) • Accumulated Depreciation (AD) Closing = PY Closing AD + CY Depreciation	HCA Opening Balances: • GBV Opening = £1,000 • AD Opening = £200 HCA CY Depreciation: • Monthly Depreciation = £1,000 / 100 months • CY Depreciation = £10 * 12 months HCA Closing Balances: • GBV Closing = £1,000 • AD Closing = £200 + £120	HCA Opening Balances: • GBV Opening = £1,000 • AD Opening = £200 HCA CY Depreciation: • Monthly Depreciation = £10 • CY Depreciation = £120 HCA Closing Balances: • GBV Closing = £1,000 • AD Closing = £320
2	64.3A.2	This step calculates the Current Cost Account (CCA) Opening and Closing balances for Gross Replacement Cost (GRC) and Current Cost Accumulated Depreciation (CCAD). Price indices are sourced from the Office for National Statistics (ONS). This step is separately done for Openreach (OR), Northern Ireland and Technology using the same logic/methodology. Note: Not all BDUK Assets are subject to Current Cost Accounting (CCA). In this case, the HCA values are used, and the indexation is not applied. For BDUK Assets which are subject to CCA, the driver which determines the price index is the Lead CoW. Please refer to the CCA Methodology for further information.	CCA Opening Balance • Gross Replacement Cost (GRC) Opening = [GBV Opening $_{(Result\ from\ step\ 1)}$] * [Index @ FY Start Date] / [Index @ 01/09/xx (xx = Year of Asset Registration)] • Current Cost Accumulated Depreciation (CCAD) Opening = [AD Opening $_{(Result\ from\ step\ 1)}$] * [Index @ FY Start Date] / [Index @ 01/09/xx (xx = Year of Asset Registration)] CCA Closing Balance • Gross Replacement Cost (GRC) Closing = [GBV Closing $_{(Result\ from\ step\ 1)}$] * Index @ [FY End Date] / [Index @ 01/09/xx (xx = Year of Asset Registration)] • Current Cost Accumulated Depreciation (CCAD) Closing = [AD Closing $_{(Result\ from\ step\ 1)}$] * [Index @ FY End Date] / [Index @ 01/09/xx (xx = Year of Asset Registration)]	CCA Opening Balance • GRC Opening = £1,000 * 105 / 100 • CCAD Opening = £200 * 105 / 100 CCA Closing Balance • GRC Closing = £1,000 * 110 / 100 • CCAD Closing = £320 * 110 / 100	CCA Opening Balance • GRC Opening = £1,050 • CCAD Opening = £210 CCA Closing Balance • GRC Closing = £1,100 • CCAD Closing = £352
3	64.3A.3	This step calculates the allocated values for the Fibre to the Cabinet (FTTC) and the Fibre to the Premises (FTTP) based on Percentage Split. The FTTC & FTTP Split is obtained as below: OR and Technology: Some records are identified as either FTTC or FTTP from the Openreach Source Data. These records are treated as either 100% FTTC or 100% FTTP. For unidentified records, , a subset of COWs are mapped to FTTC where the capex wouldn't relax to FTTP e.g. COWs relating to copper. For the remainder, the weighting from the 100% recognised data is used to calculate the split. NI: The FTTC & FTTP Split is identified using the Northern Ireland Source Data.	For each FibreType (FTTC and FTTP): Opening • GBV FibreType$_{\chi}$ Opening = [FibreType$_{\chi}$ %] * [GBV Opening $_{(Result\ from\ step\ 1)}$] • AD FibreType$_{\chi}$ Opening = [FibreType$_{\chi}$ %] * [AD Opening $_{(Result\ from\ step\ 1)}$] • GRC FibreType$_{\chi}$ Opening = [FibreType$_{\chi}$ %] * [GRC Opening $_{(Result\ from\ step\ 2)}$] • CCAD FibreType$_{\chi}$ Opening = [FibreType$_{\chi}$ %] * [CCAD Opening $_{(Result\ from\ step\ 2)}$] Closing • GBV FibreType$_{\chi}$ Closing = [FibreType$_{\chi}$ %] * [GBV Closing $_{(Result\ from\ step\ 1)}$] • AD FibreType$_{\chi}$ Closing = [FibreType$_{\chi}$ %] * [AD Closing $_{(Result\ from\ step\ 1)}$] • GRC FibreType$_{\chi}$ Closing = [FibreType$_{\chi}$ %] * [GRC Closing $_{(Result\ from\ step\ 2)}$] • CCAD FibreType$_{\chi}$ Closing = [FibreType$_{\chi}$ %] * [CCAD Closing $_{(Result\ from\ step\ 2)}$]	GBV FibreType$_{(FTTC)}$ Opening = 75% * £1000 AD FibreType$_{(FTTC)}$ Opening = 75% * £200 GRC FibreType$_{(FTTC)}$ Opening = 75% * £1050 CCAD FibreType$_{(FTTC)}$ Opening = 75% * £210 GBV FibreType$_{(FTTC)}$ Closing = 75% * £1000 AD FibreType$_{(FTTC)}$ Closing = 75% * £320 GRC FibreType$_{(FTTC)}$ Closing = 75% * £1100 CCAD FibreType$_{(FTTC)}$ Closing = 75% * £352	GBV FibreType$_{(FTTC)}$ Opening = £750 AD FibreType$_{(FTTC)}$ Opening = £150 GRC FibreType$_{(FTTC)}$ Opening = £787.50 CCAD FibreType$_{(FTTC)}$ Opening = £157.50 GBV FibreType$_{(FTTC)}$ Closing = £750 AD FibreType$_{(FTTC)}$ Closing = £240 GRC FibreType$_{(FTTC)}$ Closing = £825 CCAD FibreType$_{(FTTC)}$ Closing = £264
4	64.3A.4	This step calculates the Net Book Values (NBVs) and Net Replacement Costs (NRC).	For each FibreType (FTTC and FTTP): Opening • NBV FibreType$_{\chi}$ Opening = [GBV FibreType$_{\chi}$ Opening $_{(Result\ from\ step\ 3)}$] – [AD FibreType$_{\chi}$ Opening $_{(Result\ from\ step\ 3)}$] • NRC FibreType$_{\chi}$ Opening = [GRC FibreType$_{\chi}$ Opening $_{(Result\ from\ step\ 3)}$] – [CCAD FibreType$_{\chi}$ Opening $_{(Result\ from\ step\ 3)}$] Closing • NBV FibreType$_{\chi}$ Closing = [GBV FibreType$_{\chi}$ Closing $_{(Result\ from\ step\ 3)}$] – [AD FibreType$_{\chi}$ Closing $_{(Result\ from\ step\ 3)}$] • NRC FibreType$_{\chi}$ Closing = [GRC FibreType$_{\chi}$ Closing $_{(Result\ from\ step\ 3)}$] – [CCAD FibreType$_{\chi}$ Closing $_{(Result\ from\ step\ 3)}$]	NBV FibreType$_{(FTTC)}$ Opening = £750 - £150 NRC FibreType$_{(FTTC)}$ Opening = £787.50 - £157.50 NBV FibreType$_{(FTTC)}$ Closing = £750 - £240 NRC FibreType$_{(FTTC)}$ Closing = £825 - £264	NBV FibreType$_{(FTTC)}$ Opening = £600 NRC FibreType$_{(FTTC)}$ Opening = £630 NBV FibreType$_{(FTTC)}$ Closing = £510 NRC FibreType$_{(FTTC)}$ Closing = £561

#	Container Ref	Summary	Calculation	Worked Example	Example Results
5	64.3A.5	This step calculates the CCA - Holding Gain/Loss, Supplementary Depreciation and Other CCA Adjustments.	For each FibreType (FTTC and FTTP): Total CCA Adjustments FibreType$_{\chi}$ = ([NRC FibreType$_{\chi}$ Opening $_{(Result\ from\ step\ 4)}$] – [NRC FibreType$_{\chi}$ Closing $_{(Result\ from\ step\ 4)}$]) – ([NBV FibreType$_{\chi}$ Opening $_{(Result\ from\ step\ 4)}$] – [NBV FibreType$_{\chi}$ Closing $_{(Result\ from\ step\ 4)}$]) Indexation % CY = ([Index @ FY End Date] – [Index @ FY Start Date]) / [Index @ FY Start Date] Holding Gains/Losses FibreType$_{\chi}$ = – (([GRC FibreType$_{\chi}$ Opening $_{(Result\ from\ step\ 3)}$] * [Indexation % CY]) – ([CCAD FibreType$_{\chi}$ Opening $_{(Result\ from\ step\ 3)}$] * [Indexation % CY]) + ([GBV FibreType$_{\chi}$ Closing $_{(Result\ from\ step\ 3)}$] – [GBV FibreType$_{\chi}$ Opening $_{(Result\ from\ step\ 3)}$]) * ($\sqrt{}$(1+ [Indexation % CY]) – 1)) Supplementary Depreciation FibreType$_{\chi}$ = ([AD FibreType$_{\chi}$ Closing $_{(Result\ from\ step\ 3)}$] – [AD FibreType$_{\chi}$ Opening $_{(Result\ from\ step\ 3)}$] * (([GRC FibreType$_{\chi}$ Closing $_{(Result\ from\ step\ 3)}$] + ([GRC FibreType$_{\chi}$ Opening $_{(Result\ from\ step\ 3)}$)]) / ([GBV FibreType$_{\chi}$ Closing $_{(Result\ from\ step\ 3)}$] + [GBV FibreType$_{\chi}$ Opening $_{(Result\ from\ step\ 3)}$])) – ([AD Closing FibreType$_{\chi}$ $_{(Result\ from\ step\ 3)}$] – [AD Opening FibreType$_{\chi}$ $_{(Result\ from\ step\ 3)}$]) Other CCA Adjustments FibreType$_{\chi}$ = [Total CCA Adjustments FibreType$_{\chi}$] – [Holding Gains/Losses FibreType$_{\chi}$] – [Supplementary Depreciation FibreType$_{\chi}$]	Total CCA Adjustments FibreType$_{(FTTC)}$= (£630 - £561) - (£600 - £510) Indexation % CY = (100 - 95) / 100 Holding Gains/Losses FibreType$_{(FTTC)}$= - ((£787.50 * 0.05) - (£157.50 * 0.05) + (£750 - £750) * ($\sqrt{}$(1+0.05) - 1)) Supplementary Depreciation FibreType$_{(FTTC)}$= (£240 - £150) * ((£825 + £787.50) / (£750 + £750)) - (£240 - £150) Other CCA Adjustments FibreType$_{(FTTC)}$= -£21 - (-£31.50) - £6.75	Total CCA Adjustments FibreType$_{(FTTC)}$ = -£21 Indexation % CY = 0.05 Holding Gains/Losses FibreType$_{(FTTC)}$ = –£31.50 Supplementary Depreciation FibreType$_{(FTTC)}$ = £6.75 Other CCA Adjustments FibreType$_{(FTTC)}$ = £3.75
6	64.3H	This step first maps the GL+COWs combinations to PC (Journal entries require GL and Profit Centre information) and then calculates the elimination and FTTC/FTTP split journal entries. Mapping is obtained from “Journal Mapping Tables” input. GL Codes Summary: GBV to GRC Adjustment AD to CCAD Adjustment Balance Sheet Movements Holding Gain/Loss Supplementary Depreciation Other CCA Adjustment	Opening Journal Eliminations: • Taken from prior year closing value (see below) Posting of FTTC/FTTP split - for each FibreType (FTTC and FTTP): • Taken from prior year closing value (see below) Closing Journal Eliminations: • Credit: GBV to GRC Adjustment = [GRC Opening (Result from step 2)] – [GBV Opening (Result from step 1)] • Debit: AD to CCAD Adjustment = – ([CCAD Opening (Result from step 2)] – [AD Opening (Result from step 1)]) • Credit: Balance Sheet movements = (Sum of [NRC FibreTypeχ Closing (Result from step 4)] – Sum of [NBV FibreTypeχ Closing (Result from step 4)]) – (Sum of [NRC FibreTypeχ Opening (Result from step 4)] – Sum of [NBV FibreTypeχ Opening (Result from step 4)]) (both FTTC and FTTP) • Debit: Holding Gain/Loss = Sum of [Holding Gains/Losses FibreTypeχ (Result from step 5)] (both FTTC and FTTP) • Credit: Supplementary Depreciation = Sum of [Supplementary Depreciation FibreTypeχ (Result from step 5)] (both FTTC and FTTP) • Debit: Other CCA Adjustment = Sum of [Other CCA Adjustments FibreTypeχ (Result from step 5)] (both FTTC and FTTP) Posting of FTTC/FTTP split - for each FibreType (FTTC and FTTP): • Debit: GBV to GRC Adjustment = [GRC FibreTypeχ Opening (Result from step 3)] – [GBV FibreTypeχ Opening (Result from step 3)] • Credit: AD to CCAD Adjustment = – ([CCAD FibreTypeχ Opening (Result from step 3)] – [AD FibreTypeχ Opening (Result from step 3)]) • Debit: Balance Sheet movements = (Sum of [NRC FibreTypeχ Closing (Result from step 4)] – Sum of [NBV FibreTypeχ Closing (Result from step 4)]) - (Sum of [NRC FibreTypeχ Opening (Result from step 4)] – Sum of [NBV FibreTypeχ Opening (Result from step 4)]) (both FTTC and FTTP) • Credit: Holding Gain/Loss = [Holding Gains/Losses FibreTypeχ (Result from step 5)] • Debit: Supplementary Depreciation = [Supplementary Depreciation FibreTypeχ (Result from step 5)] • Credit: Other CCA Adjustment = [Other CCA Adjustments FibreTypeχ (Result from step 5)]	Numbers as calculated above	Numbers as calculated above

BDUK HCA Adjustment with FTTC and FTTP Split

Details for the journal are included in: Section 5.1: BDUK HCA adjustment with FTTC and FTTP split

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	64.3A.1	This step calculates the Historical Cost Accounting (HCA) Opening and Closing balances for Gross Book Value (GBV) and Accumulated Depreciation (AD). Current Year (CY) Depreciation is also calculated in this step. GBV balances and asset registration dates are obtained from the "Capex Reports" from each BU and Useful Asset Lives are obtained from "Book Lives" input. This step is done separately for Openreach (OR), Northern Ireland (NI) and Technology using the same logic/methodology.	HCA Opening Balances: • GBV Opening = Amount per Source Data (This is set to nil if the Asset Service Date has not started at the Current Financial Year (FY) Start Date) • Accumulated Depreciation (AD) Opening = Prior Year (PY) Closing Accumulated Depreciation HCA CY Depreciation: • Monthly Depreciation = Gross Book Value (GBV) / Useful Asset Life (UAL) in months • Current Year (CY) Depreciation = Monthly Depreciation * No. of months in use during CY HCA Closing Balances: • GBV Closing = Amount per Source Data (This is set to nil if the Asset Service Date has not started at the Current Financial Year (FY) End Date) • Accumulated Depreciation (AD) Closing = PY Closing AD + CY Depreciation	HCA Opening Balances: • GBV Opening = £1,000 • AD Opening = £200 HCA CY Depreciation: • Monthly Depreciation = £1,000 / 100 months • CY Depreciation = £10 * 12 months HCA Closing Balances: • GBV Closing = £1,000 • AD Closing = £200 + £120	HCA Opening Balances: • GBV Opening = £1,000 • AD Opening = £200 HCA CY Depreciation: • Monthly Depreciation = £10 • CY Depreciation = £120 HCA Closing Balances: • GBV Closing = £1,000 • AD Closing = £320
2	64.3A.3	This step calculates the allocated values for the Fibre to the Cabinet (FTTC) and the Fibre to the Premises (FTTP) based on Percentage Split. The FTTC & FTTP Split is obtained as below: OR and Technology: Some records are identified as either FTTC or FTTP from the Openreach Source Data. These records are treated as either 100% FTTC or 100% FTTP. For unidentified records, a subset of COWs are mapped to FTTC where the capex wouldn't relax to FTTP e.g. COWs relating to copper. For the remainder, the weighting from the 100% recognised data is used to calculate the split. Thid is applied to all unidentified records and is updated annually. NI: The FTTC & FTTP Split is identified using the Northern Ireland Source Data.	For each FibreType (FTTC and FTTP): • GBV FibreType$_{\chi}$ Opening = [FibreType$_{\chi}$ %] * [GBV Opening $_{\text{(Result from step 1)}}$] • AD FibreType$_{\chi}$ Opening = [FibreType$_{\chi}$ %] * [AD Opening $_{\text{(Result from step 1)}}$] • CY Depreciation FibreType$_{\chi}$ = [FibreType$_{\chi}$ %] * [CY Depreciation $_{\text{(Result from step 1)}}$] • GBV FibreType$_{\chi}$ Closing = [FibreType$_{\chi}$ %] * [GBV Closing $_{\text{(Result from step 1)}}$] • AD FibreType$_{\chi}$ Closing = [FibreType$_{\chi}$ %] * [AD Closing $_{\text{(Result from step 1)}}$]	• GBV FibreType$_{(FTTC)}$ Opening = 75% * £1000 • AD FibreType$_{(FTTC)}$ Opening = 75% * £200 • CY Depreciation FibreType$_{(FTTC)}$ = 75% * £120 • GBV FibreType$_{(FTTC)}$ Closing = 75% * £1000 • AD FibreType$_{(FTTC)}$ Closing = 75% * £320	• GBV FibreType$_{(FTTC)}$ Opening = £750 • AD FibreType$_{(FTTC)}$ Opening = £150 • CY Depreciation FibreType$_{(FTTC)}$ = £90 • GBV FibreType$_{(FTTC)}$ Closing = £750 • AD FibreType$_{(FTTC)}$ Closing = £240
3	64.3G	This step first maps the COWs to GL+ PC combinations (Journal entries require GL and PC information) and then calculates the elimination and FTTC/FTTP split journal entries. Mapping is obtained from "Journal Mapping Tables" input. GL Codes Summary: • FA GBV • Accumulated depreciation • CY depreciation	Opening Journal Eliminations: • Credit: GBV Opening $_{\text{(taken from prior period closing)}}$ • Debit: AD Opening $_{\text{(taken from prior period closing)}}$ Posting of FTTC/FTTP split - for each FibreType (FTTC and FTTP): • Debit: GBV FibreType$_{\chi}$ Opening $_{\text{(taken from prior period closing)}}$ • Credit: AD FibreType$_{\chi}$ Opening $_{\text{(taken from prior period closing)}}$ Closing Journal Eliminations: • Credit: GBV Closing $_{\text{(Result from step 1)}}$ • Debit: AD Closing $_{\text{(Result from step 1)}}$ • Credit: CY Depreciation $_{\text{(Result from step 1)}}$ Posting of FTTC/FTTP split - for each FibreType (FTTC and FTTP): • Debit: GBV FibreType$_{\chi}$ Closing $_{\text{(Result from step 2)}}$ • Credit: AD FibreType$_{\chi}$ Closing $_{\text{(Result from step 2)}}$ • Debit: CY FibreType$_{\chi}$ Depreciation $_{\text{(Result from step 2)}}$	Numbers as calculated above	Numbers as calculated above

Dark Fibre Inter-exchange Connectivity Component Allocation

Details for the journal are included in: Section 5.1: Dark fibre Inter-exchange Connectivity component allocation

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	228.3G.1	This step calculates the following: • Factored DFX Fixed Cost per Volume. DFX Fixed Cost per Volume is obtained from the "Dark Fibre fixed cost rates and Journal mapping" input. DFX usage factor is obtained from the "DFX Prices" input by dividing the dual fibre prices by the single fibre prices. • Total DFX Cost. Dark fibre volumes are obtained from PVORREV and adjusted for the period. Closing Journal as below: • Debit: Stores Issues - Misc - DFX • Credit: Stores Issues - Misc • Debit: Other Payments - TM - DFX • Credit: Other Payments - TM Note: Following services are used: • Markets - IEC - BT Only, IEC- BT+1 & LLA - Area 3 • Dark Fibre Patch Panels single fibre • Dark Fibre Patch Panels dual fibre • Dark Fibre Initial Testing single fibre • Dark Fibre Initial Testing dual fibre • Dark Fibre Cessation Charges - External • Dark Fibre Right When Tested - External	For each relevant service: Factored DFX Fixed Cost per Volume = [DFX Usage Factor] * [DFX Fixed Cost per Volume] Total DFX Cost = [DFX Volume] * [Factored DFX Fixed Cost per Volume (Result from above)] * [Period] / 12 For each relevant GL account: • Debit: Stores Issues - Misc – DFX = Sum of [Total DFX Cost] for services SS500 and SS501 • Credit: Stores Issues – MISC = Sum of [Total DFX Cost] for services SS500 and SS501 • Debit: Other Payments - TM – DFX = Sum of [Total DFX Cost] for services SS502 and SS503 • Credit: Other Payments – TM = Sum of [Total DFX Cost] for services SS502 and SS503	Factored DFX Fixed Cost per Volume = 2 x £80 Total DFX Cost = 100 x £160 x 12 / 12	Factored DFX Fixed Cost per Volume = £160 Total DFX Cost = £16,000

Reallocation of Telereal Liability Carrying Value for IFRS16 Adjustment

Details for the journal are included in: Section 5.1: Reallocation of Telereal liability carrying value for IFRS 16 adjustment

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	211.9.1	This step calculates the Right of Use assets balance that was recognised as asset following the adoption of IFRS 16. • RoU assets split is used to identify the current and non-current liability balance in relation to assets that were in existence prior to the IFRS 16 adoption (these mainly relate to Telereal landlord). Data is obtained from the Telereal Lease Liability CL NCL input. • Adjustments are made to take away rent smoothing and impairment for previous onerous lease provision per IAS17. Data is obtained from the "ROU Adjustments - Inputting impairment figures" input, static as per the initial journal position. Closing Journal is calculated as below: • Debit: Non-current lease liability (due over 1 year) • Debit: Current lease liability (due within 1 year) • Credit: ROU Asset - Land & Bldg Opening Journal is calculated. This is same as the Closing Journal. Balances are obtained from the PY Closing Journal from last year.	Closing Journal: • Debit: Non-current lease liability (due over 1 year) = [Total Non-Current Liability Carrying Value for Telereal] – [Rent Smoothing] – [Impairment for previous onerous lease provision] • Debit: Current lease liability (due within 1 year) = Total Current Lease Liability • Credit: ROU Negative Asset - Land & Bldg = SUM([Total Non-Current Liability Carrying Value for Telereal], [Rent Smoothing], [Impairment for previous onerous lease provision] ,[Total Current Liability Carry Value for Telereal])*-1 Opening Journal: • Debit: Non-current lease liability (due over 1 year) = [RoU assets reversal adjustment from last year] • Debit: Current lease liability (due within 1 year) = Total Current Lease Liability [reversal adjustment from last year] • Credit: ROU Negative Asset - Land & Bldg [RoU assets reversal adjustment from last year]	Closing Journal Debit: Non-current lease liability (due over 1 year) = £3bn - £500m - £250m Debit: Current lease liability (due within1 year) = £20m Credit: ROU Negative Asset - Land & Bldg = (£3bn - £500m - £250m+£20m) * -1	Closing Journal Debit: 2.25bn Debit: 0.02bn Credit: -2.27bn

Reallocation of Five Year Median Cash Position

Details for the journal are included in: Section 5.1: Reallocation of five year median cash position

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1		This step calculates "Cash at bank and in hand" using current year data from the Annual Report.	Cash at bank and in hand$_{CY}$ = Total held with Banks in Sterling + Total held with Banks in other currencies + Cash in Hand	Cash at bank and in hand$_{CY}$ = £100 + £200 + £300	Cash at bank and in hand$_{CY}$ = £600
2		This step calculates "Total Cash Equivalents" for current year by summing the values of UK, US, European and other deposits.	Total Cash Equivalents$_{CY}$ = UK Deposits + US Deposits + European Deposits + Other Deposits	Total Cash Equivalents$_{CY}$ = £100 + £200 + £150 + £25	Total Cash Equivalents$_{CY}$ = £475
3		This step calculates "Liquid funds" for current year, derived from total cash and cash equivalents plus assets and investments minus loans falling due within one year.	Liquid Funds$_{CY}$ = Cash at bank and in hand$_{CY(Result from Step 1)}$ + Total cash equivalentsd$_{CY(Result from Step 2)}$ + Current Asset Investments + Loans and other borrowing (due within 1 year)	Liquid Funds$_{CY}$ = £600 + £475 + £200 - £150	Liquid Funds$_{CY}$ = £1,050
4	170.3A.2	This step calculates the debit side of the journal, which is the median of Liquid Funds over the last five financial years, and is recognised against AG113.	Debit = MEDIAN (Liquid Funds$_{CY}$, Liquid Funds$_{CY-1}$, Liquid Funds$_{CY-2}$, Liquid Funds$_{CY-3}$, Liquid Funds$_{CY-4}$)	Debit = MEDIAN (£1,050, -£80, £1,600, £3,000, £3,800)	Debit = £1,600
5	170.3A.3	This step calculates the credit, which is the reverse of step four, and is recognised in rest of BT residual.	Credit = -1 * Debit$_{(Result from step 4)}$	Credit = -1 * £1,600	Credit = -£1,600

Repayment works journals

Details for the journals are included in: Section 5.1: Repayment works journals

Capital Transfer to Non-Regulated Services

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	198.3A.1	This step calculates the estimated amount of capitalised cost for repayment works for the years 2006/07, 2007/08 and 2008/09. Estimates amounts are based on the average capitalised cost for all years since 2009/10 excluding current year. Data is obtained from the "GBV additions" for following CoWs (CoW): • LDD (Construction, Local Distribution Duct) • LDC (Construction, Local Distribution Cable) • CJC (Construction, Junction Metallic Pair Cable) • CJF (Construction, Junction Cable – Optical Fibre)	For each relevant CoW: Capex for years since 2009/10 to date = [GBV additions balances for Repayment Works] Capex (estimated) balances for missing years (2006/07, 2007/08 and 2008/09) = Average of [Capex in all years with records, excluding the current year]	CoW$_{(LDD)}$ Repayment Works Capex Year$_{(2019/20)}$ = £400k CoW$_{(LDD)}$ Repayment Works Capex Year$_{(2006/07)}$ = £3,300k / 11 years	CoW$_{(LDD)}$ Repayment Works Capex Year$_{(2019/20)}$ = £400k CoW$_{(LDD)}$ Repayment Works Capex Year$_{(2006/07)}$ = £300k
2	198.3A.2	This step summarised the GBV balances CoW and maps them to the GL accounts. Opening balances (i.e. excluding current year) and closing balances (i.e. including current year) are calculated. Mapping is obtained from the "GL Details" input. Journal amounts are calculated as Capex Opening and Closing balances and posted as below (to transfer capitalised cost from General Fixed Asset Account to Repayment Works Capex Account): • Debit: Repayment works Capex GL accounts [separate for each CoW] with PC 52111 Openreach Support Functions • Credit: Fixed Asset GL accounts [separate for each CoW] with PC 52111 Openreach Support Functions Repayment works GL for CJC, CJF, LDC, LDD Fixed Assets GL for CJC, CJF, LDC, LDD	For each relevant CoW: Capex Opening Balances = Sum of [Capex for all years since 2006/07 excluding current year $_{(Result from step 1)}$] Capex Closing Balances = Sum of [Capex for all years since 2006/07 including current year $_{(Result from step 1)}$]	CoW$_{(LDD)}$ Repayment Works Capex Opening = £300k + …… + £400k CoW$_{(LDD)}$ Repayment Works Capex Closing = £300k + …… + £400k + £450k	CoW$_{(LDD)}$ Repayment Works Capex Opening = £4,200k CoW$_{(LDD)}$ Repayment Works Capex Closing = £4,650k
3	198.3A.3	This step calculates the accumulated depreciation by multiplying GBV values for each year with the depreciation rates and number of years in use. Opening balances (i.e. excluding current year) and closing balances (i.e. including current year) are calculated.	For each relevant CoW: Depreciation rate = 1 / [Asset Lives per policy] Opening Accumulated Depreciation (AD) for each year = [Capex balance for each year $_{(Result from step 1)}$] * [Depreciation rate] * [Number of years since capitalised excluding current year] Closing Accumulated Depreciation (AD) for each year = [Capex balance for each year $_{(Result from step 1)}$] * [Depreciation rate] * [Number of years since capitalised including current year]	CoW$_{(LDD)}$ Depreciation rate = 1 / 40 years CoW$_{(LDD)}$ Opening AD Year$_{(2019/20)}$ = £400k * 0.025 * 1 CoW$_{(LDD)}$ Closing AD Year$_{(2019/20)}$ = £400k * 0.025 * 2	CoW$_{(LDD)}$ Depreciation rate = 0.025 CoW$_{(LDD)}$ Opening AD Year$_{(2019/20)}$ = £10k CoW$_{(LDD)}$ Closing AD Year$_{(2019/20)}$ = £20k
4	198.3A.4	This step maps the Accumulated Depreciation (AD) for each CoW to the GL accounts. Mapping is obtained from the "GL Details" input Journal amounts are calculated as AD Opening and Closing balances and posted as below (to transfer AD from General AD Account to Repayment Works AD Account): • Debit: Fixed Asset Acc Dep GL accounts [separate for each CoW] with PC 52111 Openreach Support Functions • Credit: Repayment works Acc Dep GL accounts [separate for each CoW] with PC 52111 Openreach Support Functions Fixed Assets AD GL for CJC, CJF, LDC, LDD Repayment works AD GL for CJC, CJF, LDC, LDD	For each relevant CoW: AD Opening Balances = Sum of [Opening AD for all years excluding current year $_{(Result from step 3)}$] AD Closing Balances = Sum of [Closing AD for all years including current year $_{(Result from step 3)}$]	CoW$_{(LDD)}$ AD Opening = £105k + …… + £10k CoW$_{(LDD)}$ AD Closing = £112.5k + …… + £20k + £11.25k	CoW$_{(LDD)}$ AD Opening = £780k CoW$_{(LDD)}$ AD Closing = £896.25k

Transfer of Depreciation to Non-Regulated Services

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	198.3A1	This step calculates the estimated amount of capitalised cost for repayment works for the years 2006/07, 2007/08 and 2008/09. Estimates amounts are based on the average capitalised cost for all years since 2009/10 excluding current year. Data is obtained from the "GBV additions" for following CoWs: • LDD (Construction, Local Distribution Duct) • LDC (Construction, Local Distribution Cable) • CJC (Construction, Junction Metallic Pair Cable) • CJF (Construction, Junction Cable – Optical Fibre)	For each relevant CoW: Capex for years since 2009/10 to date = [GBV additions balances for Repayment Works] Capex (estimated) balances for missing years (2006/07, 2007/08 and 2008/09) = Average of [Capex in all years with records, excluding the current year]	$CoW_{(LDD)}$ Repayment Works Capex $Year_{(2019/20)}$ = £400k $CoW_{(LDD)}$ Repayment Works Capex $Year_{(2006/07)}$ = £3,300k / 11 years	$CoW_{(LDD)}$ Repayment Works Capex $Year_{(2019/20)}$ = £400k $CoW_{(LDD)}$ Repayment Works Capex $Year_{(2006/07)}$ = £300k
2	198.3B.2	This step calculates the Current Year (CY) Depreciation by multiplying GBV values for each year with the depreciation rates. This step then maps the CY Depreciation for each CoW to the GL accounts. Mapping is obtained from the "GL Details" input Journal amounts are calculated as CY Depreciation and posted as below (to transfer depreciation expense from General Depreciation Account to Repayment Works Depreciation Account): • Debit: Repayment Works Depreciation GL accounts [separate for each CoW] with PC 52111 Openreach Support Functions • Credit: Depreciation P&L GL accounts [separate for each CoW] with PC 52111 Openreach Support Functions	For each relevant CoW: Depreciation rate = 1 / [Asset Lives per policy] Current Year (CY) Depreciation for each year= [Capex balance for each year (Result from step 1)] * [Depreciation rate] CoW total CY Depreciation = Sum of [CY Depreciation for all years (Result from above)]	$CoW_{(LDD)}$ Depreciation rate = 1 / 40 years $CoW_{(LDD)}$ CY Depreciation $Year_{(2019/20)}$ = £400k * 0.025 $CoW_{(LDD)}$ total CY Depreciation = £7.5k + ... + £10k + £11.25k	$CoW_{(LDD)}$ Depreciation rate = 0.025 $CoW_{(LDD)}$ CY Depreciation $Year_{(2019/20)}$ = £10k $CoW_{(LDD)}$ total CY Depreciation = £116.25k

Poles HCA Journal

The purpose of the journal is to move historical balances to POLES CoW. Details for the journal are included in: Section 5.1: Poles HCA Journal

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	238.3A.2	Calculate BDUK share of LFDC LFDC poles values relating to BDUK will not be added to the POLES CoW	1a) Non-BDUK share of LFDC assets non-BDUK related LFDC NRC / Total LFDC NRC 1b) Non-BDUK share of LFDC depreciation non-BDUK related LFDC depreciation / Total LFDC depreciation	1a) Non-BDUK share of LFDC assets £25m / £50m 1b) Non-BDUK share of LFDC depreciation £0.7m / £1.29m	1a) Non-BDUK share of LFDC assets 50% 1b) Non-BDUK share of LFDC depreciation 54%
2	238.3A.3	Subtract BDUK from LFDC poles values Non-BDUK proportion of LFDC is calculated based on values from an Openreach analysis produced for the WFTMR.	2a) non-BDUK poles NBV on LFDC non-BDUK share of LFDC $assets_{(1a)}$ * poles NBV on LFDC 2b) non-BDUK poles depreciation on LFDC non-BDUK share of LFDC $depreciation_{(1b)}$ * poles depreciation on LFDC	2a) non-BDUK poles NBV on LFDC 50% * £62m 2b) non-BDUK poles depreciation on LFDC 54% * £1.7m	2a) non-BDUK poles NBV on LFDC £31m 2b) non-BDUK poles depreciation on LFDC £0.92m
3	238.3A.4	Subtract network adjustments from LFDC poles values For the network adjustments calculation: see PDTPOLES-Q	3a) Poles NBV on LFDC excluding network adjustments & BDUK non-BDUK poles NBV on $LFDC_{(2a)}$ - poles network adjustment NBV 3b) Poles depreciation on LFDC excluding network adjustments & BDUK non-BDUK poles depreciation on $LFDC_{(2b)}$ - poles network adjustment depreciation	3a) Poles NBV on LFDC excluding network adjustments & BDUK £31m - £7m 3b) Poles depreciation on LFDC excluding network adjustments & BDUK £0.92m - £0.12m	3a) Poles NBV on LFDC excluding network adjustments & BDUK £24m 3b) Poles depreciation on LFDC excluding network adjustments & BDUK £0.8m
4	238.3A.5	Calculate total depreciation & NBV to transfer to POLES	4a) Total NBV to POLES CoW Poles NBV on LFDC excluding network adjustments & $BDUK_{(3a)}$ + poles NBV on LDC + poles NBV on NWR 4b) Total depreciation to POLES CoW Poles depreciation on LFDC excluding network adjustments & $BDUK_{(3b)}$ + poles depreciation on LDC + poles depreciation on NWR	4a) Total NBV to POLES CoW £24m + £150m + £6m 4b) Total depreciation to POLES CoW £0.8m + £5m + £0.2m	4a) Total NBV to POLES CoW £180m 4b) Total depreciation to POLES CoW £6m
5	238.3B.1	Finance type B allocation: Finance type B represents pay and is used as a driver for certain pay-related overheads allocations. Asset values being transferred to the poles CoW need to be tagged as either finance type B or not to ensure these overheads allocations are accurate. We do not have this level of detail about historic poles balances on the cabling CoWs and need to leverage values assigned to cabling CoWs in SAP instead.	5a) Finance type B allocation Sum of cabling NBV tagged as finance type B / sum of all cabling NBV	5a) Finance type B allocation £0.6m / £7.9m	5a) Finance type B allocation 7.6%
6	238.3B.2	PC mapping PCs are used as a driver in certain overheads allocations. Poles asset values being transferred are therefore mapped to an appropriate PC to ensure these other overheads allocations are accurate. We do not have this level of detail about historic poles balances on the cabling CoWs and need to leverage values assigned to the poles CoW in SAP instead.	6a) Openreach support functions allocation Openreach support functions poles NBV / Total poles NBV 6b) Service and network delivery allocation Service and network delivery poles NBV / Total poles NBV 6c) Group centre allocation Group centre poles NBV / Total poles NBV	6a) Openreach support functions allocation £125m / £255m 6b) Service and network delivery allocation £130m / £255m 6c) Group centre allocation £0m / £255m	6a) Openreach support functions allocation 49% 6b) Service and network delivery allocation 51% 6c) Group centre allocation 0%

#	Container Ref	Summary	Calculation	Worked Example	Example Results
7	238.3B.3	Create poles pay NBV entry	7a) Service and network delivery: pay Total NBV to POLES CoW$_{(4a)}$ * Finance type B allocation$_{(5a)}$	7a) Service and network delivery: pay £180m * 7.6%	7a) Service and network delivery: pay £13.68m
8	238.3B.4	Subtract finance type B allocation from remaining FND other	8a) Service and network delivery non-pay allocation Service and network delivery allocation$_{(6b)}$ - Finance type B allocation$_{(5a)}$	8a) Service and network delivery non-pay allocation 51% - 7.6%	8a) Service and network delivery non-pay allocation 43.4%
9	238.3B.5	Create poles non-pay NBV entries	9a) Openreach support functions: non-pay Total NBV to POLES CoW$_{(4a)}$ * Openreach support functions allocation$_{(6a)}$ 9b) Service and network delivery: non-pay Total NBV to POLES CoW$_{(4a)}$ * Service and network delivery non-pay allocation$_{(8a)}$ 9c) Group centre: non-pay Total NBV to POLES CoW$_{(4a)}$ * Group centre allocation$_{(6c)}$	9a) Openreach support functions: non-pay £180m * 49% 9b) Service and network delivery: non-pay £180m * 43.4% 9c) Group centre: non-pay £180m * 0%	9a) Openreach support functions: non-pay £88.2m 9b) Service and network delivery: non-pay £78.12m 9c) Group centre: non-pay £0
10	238.3D.1	Journal output Closing values are combined from previous steps Opening values are taken from the prior year journal	Closing Eliminations - Reversal from CoWs LDC, LFDC and NWR. PC: CF Openreach • Credit: Total NBV Closing$_{(4a)}$ • Credit: Total Depreciation Closing$_{(4b)}$ Posting to Poles CoW • Debit: Closing pay NBV service and network delivery$_{(7a)}$ • Debit: Closing non-pay NBV Openreach support functions$_{(9a)}$ • Debit: Closing non-pay NBV service and network delivery$_{(9b)}$ • Debit: Closing non-pay NBV group centre$_{(9c)}$ • Debit: Total Depreciation Closing$_{(4b)}$ Opening Eliminations - Reversal from CoWs LDC, LFDC and NWR. PC: CF Openreach • Credit: Total NBV Opening Posting to Poles CoW • Debit: Opening pay NBV service and network delivery • Debit: Opening non-pay NBV Openreach support functions • Debit: Opening non-pay NBV service and network delivery • Debit: Opening non-pay NBV group centre	Closing Eliminations - Reversal from CoWs LDC, LFDC and NWR. PC: CF Openreach • Credit: LFDC £24m • Credit: LDC £150m • Credit: NWR £6m • Credit: LFDC £0.8m • Credit: LDC £5m • Credit: NWR £0.2m Posting to Poles CoW • Debit: service and network delivery (pay) £13.68m • Debit: Openreach support functions (non-pay) £88.2m • Debit: service and network delivery (non-pay) £78.12m • Debit: Service group centre (non-pay) £0 • Debit: CF Openreach £6m • Opening(as per prior year closing)	Numbers as calculated

Openreach Overhead Journal

Details for the journal are included in: Section 5.1: Openreach overhead journal

#	Container Ref	Summary	Calculation	Worked example	Example results
1	234.3.2	Filter on the relevant PCs and CCs to obtain the journal values between the different Overhead Bases. Post the reversal value as the credit.	Cost data from GLs input filtered for relevant historic OUCs being BNH2, BNH3, BNH7, BET, BVL6, BVK7, BVK8, BVJ3, these are service team OUCs across Openreach division. All relevant GLs and CCs associated with the above OUCs also filtered. Debit OV-OR = costs summarise on group description Credit AG407 = OV-OR *-1	Debit OV-OR = £100 Credit AG407 = (£100) *-1	Debit OV-OR = £100 Credit AG407 = -£100

Openreach Revenue (Internal to External Transfer)

Details for the journal are included in: Section 5.1: Openreach Revenue (internal to External transfer

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1		Calculate the journal value which accounts for the difference in revenue between Openreach PxV calculation and Openreach Revenue within CostPerform. If the PxV revenue is higher than CostPerform then revenue is moved from P008 to P470 and vice versa.	Total Openreach Revenue per CP - Revenue per calculated via PxV	5,000,000 - 4,750,000	250,000

SLG Revenue Allocation

Details for the journal are included in: Section 5.1: SLG Revenue Allocation

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	226.3H.1	Calculate the SLG Revenue for Internal and External	SLG Revenue per Core Ledger Feeds	£85m	£85m

5.2 Attribution Bases

The values presented within the calculation step 'Worked Example' are notional and do not represent actual data.

Bases using Asset Metrics Methodologies

Details for the bases are included in: Section 5.2: Bases using asset metric methodologies

CUMNORM-W

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	51.3B.1	This step calculates the % split of cost of MCE for BTW and OR	BTW % split = BTW Weighted Return / Total MCE OR % split = OR Weighted Return / Total MCE	BTW % split = £100k / £1400k OR% split =£1300k / £1400k	Non NGA BTW % split = 7% Non NGA OR% split = 93%

PDTCOR21-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	24A.3: Bases	Percentage allocation based on Network Depreciation (%)	For all relevant PGs: PG_{χ} = PG_{χ} Network depreciation / $\sum$PG1...n Network depreciation	PG1 = (£45m / £100m)	PG1 = 45% $\sum$PG1...n = 100%

PDTDUCT-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	224.3G.1	This step calculates the internal and external duct network adjustments relating to the all CoWs.	Part A: Internal Network Adj Cost GRC closing = Internal Network Adj Cost GBV opening * Indexation Part B: Internal Annual Depreciation Inc CCA = Internal Network Adj Cost GRC / Asset Life / 2 Part C: Int. NA NBV = Internal Network Adj Cost GRC - Internal Annual Depreciation exc CCA Repeat for external	Part A = £1.9m * 1.053 Part B = £4m / 40 Part C = £2m - £0.1m Repeat for external Part C (External) = £1m	Part A = £2m Part B = £0.1m Part C = £1.9m Repeat for external Part C (External) = £1m
2	224.3G.2	This step calculates the Net Replacement Cost (NRC) for duct network adjustments for each CoW both Internal and External.	For each relevant CoW (both Internal and External): NRCx = Network Adj Cost GRC $_{\text{(Result from step 1 part A)}}$ - Annual Depreciation Inc CCA $_{\text{(Result from step 1 part C)}}$	NRC_1 = £1.60m - £0.094m NRC_2 = £0.24m - £0.01m	NRC_1 = £1.50m NRC_2 = £23m
3	224.3I.1	This step calculates the total NRC for the internal and external duct network adjustments by adding together NRC Below the financial limit for each CoW.	Total NRC = Total $NRC_{(Internal)}$ + Total $NRC_{(External)}$	Total NRC = £9m + £3m	Total NRC = £12m
4	224.3I.3	This step calculates the NRC % to be allocated To PDTDUCT (PG101D), by dividing the Total NRC of network adjustments by the total duct NRCs.	NRC % Allocation = Total NRC $_{\text{(Result from step 3)}}$ / Total NRCs allocated to PDTDUCT	NRC % Allocation = £12m / £250m	NRC % Allocation = 4.8%
5	224.3I.4	This step calculates the % allocation to PG300N, PG303N and joins total allocation to PG101D (from step 4). PG300N and PG303N are calculated by multiplying the NRC % split across Internal (PG300N) and External (PG303N) by the NRC % Allocation (from step 6).	$NRC_{(Internal)}$% = Total $NRC_{(Internal)}$ / Total $NRC_{(Result from step 3)}$ $NRC_{(External)}$% = Total $NRC_{(External)}$ / Total $NRC_{(Result from step 3)}$ PG300N = $NRC_{(Internal)}$% * NRC % Allocation $_{\text{(calculated from step 4).}}$ PG303N = $NRC_{(External)}$% * NRC % Allocation $_{\text{(calculated from step 4).}}$ PG101D = 100% - NRC % Allocation $_{\text{(calculated from step 4)}}$	PG300N = 75% * 4.8% PG303N = 25% * 4.8% PG101D + PG102D = 100% - 4.8%	PG300N = 3.6% PG303N = 1.2% PG101D + PG102D = 95.2%
6	224.3I.5	This step calculates the % allocation to PG101D and PG102D. This is calculated as the total amount left unallocated after the allocations to PG300D and PG303D in step 5 multiplied by either the pre or post March 2018 duct NBV percentage.	PG101D = PG101D + PG102D)$_{\text{(Result from step 5)}}$ * Pre March 18 Duct NBV percentage PG102D = PG101D + PG102D)$_{\text{(Result from step 5)}}$ * Post March 18 Duct NBV percentage	PG101D = (100% - 3.6%) * 0.7 PG102D = (100% - 1.2%) *0.3	PG101D = 67.5% PG102D = 29.6%

PDTDUCT1-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	224.3I.5	This step allocates the % split between PG101D (pre March 2018 Duct) and PG102D (post March 2018 Duct).	PG101D = Pre March 18 Duct split percentage PG102D = Post March 18 Duct split percentage	PG101D = 0.7 PG102D = 0.3	PG101D = 70% PG102D = 30%

PDTEPD-B

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.3U.1	This step calculates the total abortive visits (AV) repair costs. The AV labour cost per hour is calculated and used to determine the total cost of repairs.	Part A: Labour Cost per hour = (Labour hour Rate (Band B) * Proportion (Band B)) + (Manhour Rate (Band C) * Proportion (Band C)) Part B: Total AVC Minutes for AVC CoWs / 60 Part C: Total cost of AV repairs = (Labour cost per hour (Result from Part A) * Hours (Result from Part B))	Part A: Labour cost per hour = (37.54 * 0.95) + (48.39 * 0.05) Part B: Total AVC hours: 9.4m / 60 = 156k hours Part C: Total cost of AV repairs = (£35 * 156k)	Part A: Labour cost per hour = £38.13 Part B: Total AVC hours = 156k hours Part C = Total cost of AV repairs = £5.95m
2	223.3U.2	This step calculates the total cost of abortive visits (AV) provision and repair for Expedites, taking into consideration the labour cost per hour and the total number of hours. Values for this calculation are obtained from Expedite raw volumes and task time hours	Part A: CY cost of Expedites = Expedite Hours * Labour cost per hour(Result from step 1, Part A) Part B: Identifies all Provision and Repair volumes and man hour rates from inputs	Part A: CY cost of Expedites = 19.7k * £38.13	Part A: CY cost of Expedites = £750k
3	223.3U.3	This step identifies total indexed costs for Repair and Provision, Poles and NWB/NWR. This step calculates for historic years only the following: Provision & Repair Indexed Costs Provision AVC Only Costs Repair AVC Indexed Costs Repair AVC Costs PY Provision & Repair Indexed Costs Provision AVC Only Costs Repair AVC Indexed Costs Repair AVC Costs Values are obtained from RPI Index on the Office of National Statistics	Part A: Total AV Repair & Provision costs (from Step 2, Part B) Part B: Sum of Poles GRC (from Poles Investment Input) Part C: NWB and NWR GRC Additions (from GRC value input) Part D: CY Provision & Repair Indexed Costs (£k) = Provision & Repair Costs (calculation from step 2, Part B) * Indexation (from input) Part E: CY Provision AVC Only Costs (£k) = Provision & Repair Costs (calculation from step 2, Part B) * Indexation (from input) Part F: CY Repair AVC Indexed Costs (£k) = Provision & Repair Indexed Costs (result from Part D) - Provision AVC Only Costs (result from Part E) Part G: % of Provision AVC Only / provision plus Repair Part H: PY Provision & Repair Indexed Costs (£k) = Provision & Repair Costs (from input) * Indexation (from input) Part I: PY Provision AVC Only Costs (£k) = Provision & Repair Costs (calculation from step 2, Part B) *AVC % (Step G) Part J: PY Repair AVC Indexed Costs (£k) = Provision & Repair Indexed Costs (result from Part D) - Provision AVC Only Costs (result from Part E) Part K: % of Provision AVC Only / provision plus Repair Part L: Total Additions = NWB Additions In Yr. Total + NWR Additions In Yr. Total	Part A: Total cost of AV = [volumes] x labour hour £ (263k x £38.13) Part B: Total cost of Poles GRC Part C: Total cost of NWB / NWR Part D: CY Provision & Repair Indexed Costs = £10k * 1.06 Part E: CY Provision AVC Only Costs = £12k * 0.87 Part F: CY Repair AVC Indexed Costs = £10.6k - £10.4k Part G: Provision AVC Only / provision plus Repair = £10.4k / £10.6m Part H: PY Provision & Repair Indexed Costs = £10k * 1.06 Part I: PY Provision AVC Only Costs = £12k * 0.87 Part J: PY Repair AVC Indexed Costs = £10.6k - £10.4k Part K: Provision AVC Only / provision plus Repair = £10.4k / £10.6m Part L: Total Additions = £2b + £0.9b	Part A: Total cost of AV = £1m Part B: Total cost of Poles GRC = £0m Part C: Total cost of NWB / NWR = £1m / £1.3m Part D: CY Provision & Repair Indexed Costs = £10.6k Part E: CY Provision AVC Only Costs = £10.4k Part F: CY Repair AVC Indexed Costs = £2k Part G: % = 43% Part H: PY Provision & Repair Indexed Costs = £10.6k Part I: PY Provision AVC Only Costs = £10.4k Part J: PY Repair AVC Indexed Costs = £2k Part K: % = 43% Part L: Total Additions = £2.93b
4	223.3U.14	This step calculates the total cost for Expedite before consolidating with previous calculations	Part A: Total CY Cost of Expedite (from Step 2, Part A) Part B: calculate total PY Expedite = hours (JV input) * labour hour Rate (AVC Input) Part C: Filter on CY only	Part A: Total CY cost of Expedites Part B: Total AVC Cost = sum of all PY (Labour * labour hour) Part C: CY	Part A: Total CY cost of Expedites = £750k Part B: Total AVC Cost (all PY) = £31.1m
5	223.3U.12	This step calculates AVC proportions from Total Additions	Calculate AVC proportions = Total Value / Total Additions (from Step 3, Part H) = AVC Proportions, where: Part A: Total CY and PY Value Expedite (from Step 2, Part A) Part B: Total Value Poles GRC (from Step 3, Part B) Part C: Total Value Provision AVC (from Step 3, Part E) Part D: Total Additions: (from Step 3, Part H) Part E: AVC Proportions calculated as value/total additions	Part A: Total CY and PY cost of Expedites (Step 2, Part A) Part B: Total cost of Poles GRC (Step 3, Part B) Part C: Provision AVC Only Costs Part D: Total Additions Part E: AVC Proportions (Step 5, Part C) / Total Additions (Step 5, Part D) *100 = £71.7m / £2.93bn * 100	Part A: Total PY cost of Expedites = £31.9m Part B: Total cost of Poles GRC = £0m Part C: AVC Proportion Provision = £71.7m Part D: Total Additions = £2.93b Part E: AVC Proportions (only) = 96.4%
6	223.3U.13	This step rounds the allocations and formally applies to Plant Groups	Part A: Exclude Expedite. AVC Proportion / Sum of AVC Proportions. Assigns rounding percentage to largest allocation. Part B: Assigns Plant Group to cost type: Total Additions = PG149A Poles_GRC = PG200P	Part A: AVC Proportion (Step 5, Part E) / Sum of all AVC Proportions Part B: Total Rounding = 100 - Sum Allocation (inc. Step 5, Part E) Total Additions = 98.8% + 1.2% Poles_GRC = 0%	Part A: 96.4% / 97.5% = 98.8% Part B : 100% - 98.8% = 1.2% PG149A = 100% PG200P = 0%

PDTGFA-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	64.3C.1[6]	This step calculates Total BDUK Gross Book Value for CoW's CJD, LDD and LFD. Values are obtained from BDUK GBV Data. The only values required belong to PC 52130 Openreach Support Functions, which is FTTC, therefore it does not consider FTTP.	BDUK GBV FTTC for CJD/LDD/LFD (Including Planning Cost) = BDUK GBV for CJD/ LDD/LFD * FTTC%	BDUK GBV for CJD = £300k * 50%	BDUK GBV for CJD = £150k
2	223.3B.1	This step sums the BDUK GBV (Results from Step 1) to calculate total GBV for PG101D (Duct Infrastructure). These values come from BDUK Funding GBV	Closing duct GBV = sum of closing GBV for CJD, LDD and LFD (Results from Step 1) (PC=52130 Openreach Support Functions)	Closing duct GBV = £150k + £300k + £250k	GBV for PG101D = £700k
3	64.3B.1[7]	This step calculates the total GBV for FTTC + total GBV for FTTP (we use the total BDUK Assets amount as a proxy for PG998A (BDUK Funding))	Total BDUK GBV for FTTC/FTTP assets	Closing GBV for PG998A= £1500k + £1000k	Closing GBV for BDUK Assets = £2.5m
4	223.3B.1	This step calculates the total LFDC/LFSC BDUK GBV (PG200P). Values are obtained from the Poles Investment data.	Total GBV for LFDC BDUK = £10k Total GBV for LFSC BDUK = £5k	Total GBV for LFDC BDUK = £10k Total GBV for LFSC BDUK = £5k	Total GBV for LFDC/LFSC BDUK = £15k
5	223.3B.5	This step calculates GBV for PG998A	GBV for PG998A = Total closing BDUK GBV (Result from Step 3) - Sum of LFDC & LFSC Poles GBV (Result from Step 4) - Sum of Closing Duct GBV (Result from Step 2)	GBV for PG998A = £2.5m-£15k-£700k	GBV for PG998A = £1785k
6	223.3B.7	This step calculates the allocation percentage of this base using values from steps 2-5 above.	PG101 = GBV BDUK Duct Infrastructure(Result from step 2) / Total BDUK GBV (Result from step 3) * Pre March 18 Duct split percentage PG102 = GBV BDUK Duct Infrastructure(Result from step 2) / Total BDUK GBV (Result from step 3) * Post March 18 Duct split percentage PG200P = GBV BDUK Poles (Capex)(Result from step 4) / Total BDUK GBV (Result from step 3) PG998A = (GBV of Non-Duct/Poles - GBV Pole BDUK Assets)(Result from step 5) / Total BDUK GBV (Result from step 3)	PG101 = £700k/ £2.5m * 0.7 PG102 = £700k/ £2.5m * 0.3 PG200P =£15k/ £2.5m PG998A = £1785k / £2.5m	PG101 = 19.6% PG102 = 8.4% PG200P = 0.6% PG998A = 71.4%

PDTLDC-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	224.3G.1	This step calculates the internal and external duct network adjustments relating to the LDC CoW.	Part A: Internal Network Adj Cost NRC closing = Internal Network Adj Cost NRC opening * Indexation Part B: Internal Annual Depreciation Inc CCA = Internal Network Adj Cost GRC / Asset Life Part C: Int. NA LDC NRC = Internal Network Adj Cost GRC - Internal Annual Depreciation Inc CCA Repeat for external	Part A = £1.9m * 1.053 Part B = £4m / 40 Part C = £2m - £0.1m Repeat for external Part C (External) = £1m	Part A = £2m Part B = £0.1m Part C = £1.9m Repeat for external Part C (External) = £1m
2	224.3G.3	Duct Network Adjustments relating to the LDC CoW are expressed as a percentage of PDTLDC, which are then assigned to internal and external network adjustment plant groups for duct (PG300N and PG303N, respectively). The remaining balance is mapped to D-side Copper cable (PG118C)	Internal Network Adjustment % (PG300N) = (Int. NA LDC NRC (Result from step 1)) / PDTLDC MCE External Network Adjustment % (PG303N) = (Ext. NA LDC NRC (Result from step 1)) / PDTLDC MCE PG118C Allocation = 1 - Internal Network Adjustment % (PG300N) - External Network Adjustment % (PG303N)	Internal Network Adjustment (PG300N) % = £1.9m / £1bn External Network Adjustment (PG303N) % = £1m / £1bn PG118C Allocation =1 - (£2.9m / £1bn)	Internal Network Adjustment (PG300N) % = 0.0019 External Network Adjustment (PG303N) % = 0.001 PG118C Allocation =1 - 0.9971

[6] Note that the calculations are performed in 64.3A.3; however, this container brings in the relevant information.
[7] Note that the calculations are performed in 64.3A.3; however, this container brings in the relevant information.

PDTLFDCB1-B1

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	64.3D.1	Calculates the FTTC% split	FTTC% split = FTTC / Sum of FTTC & FTTP across all years (grand total).	FTTC% split = 7/100	FFTC% split =7%
2	223.3A.1	This step calculates Poles Investment GBV by multiplying GRC by FTTC percentage split. Values for this calculation are obtained from Poles Investment and FTTX Split inputs.	Poles Investment GBV = GRC * FTTC percentage split.	Poles Investment GBV = £15m * 7%	Poles Investment GBV = £1.05m
3	223.3A.2	This step calculates Poles Allocation % by dividing Poles Investment GBV (Result from step 2) by Total Investment GBV. Values for Total Investment GBV are obtained from BDUK Assets GBV input	Poles Allocation % = Poles Investment GBV $_{\text{(Result from step 1)}}$ / Total Investment GBV	Poles Allocation % = £1.05m / £300m	Poles Allocation % = 0.35%
4	223.3A.3	The final step calculates Non-Poles Allocation %. To do so Poles Investment GBV (Result from step 2) is taken away from Total investment (GBV). This number is then divided by Total investment (GBV). Values for Total Investment GBV are obtained from BDUK Assets GBV input	Non-Poles Allocation % = (Total investment (GBV) - Poles Investment GBV $_{\text{(Result from step 1)}}$) / Total investment (GBV)	Non-Poles Allocation % = (£300m - £1.05m) / £300m	Non-Poles Allocation % = 99.65%

PDTLFDCB6-B6

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	64.3D.1	This step calculates the FTTP% split.	FTTP% split = FTTP / Sum of FTTC & FTTP across all years (grand total)	FTTP% split = 7/100	FTTP% split = 7%
2	223.3A.1	This step calculates Poles Investment FTTC GBV allocation by multiplying GBV by FTTC percentage split. Values for this calculation are obtained from Poles Investment and FTTX Split inputs	Poles Investment FTTC Allocation = GBV * FTTC percentage split $_{\text{(Result from step 1)}}$	Poles Investment FTTC GBV = £15m * 7%	Poles Investment FTTC GBV = £1.05m
3	223.3A.2	This step calculates Poles Allocation % This is done by dividing Poles Investment GBV (Result from step 1) by Total Investment GBV. Values for Total Investment GBV are obtained from BDUK Assets GBV inputs	Poles Allocation % = Poles Investment GBV $_{\text{(Result from step 2)}}$ / Total Investment GBV	Poles Allocation % = £1.05m / £300m	Poles Allocation % = 0.35%
4	223.3A.3	The final step calculates Non-Poles Allocation %. To do so Poles Investment GBV (Result from step 2) is taken away from Total investment (GBV). This number is then divided by Total investment (GBV). Values for Total Investment GBV are obtained from BDUK Assets GBV input	Non-Poles Allocation % = Total investment GBV - Poles Investment GBV $_{\text{(Result from step 2)}}$ / Total investment GBV	Non-Poles Allocation % = (£300m - £1.05m / £300m	Non-Poles Allocation % = 99.65%

PDTLFDCBS-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	64.3A.3	This step calculates Total BDUK GBV & AHD for LFDC (FTTC and FTTP). Values are obtained from BDUK GBV Data.	BDUK GBV FTTx for LFDC = BDUK GBV for LFDC * FTTx% BDUK AD FTTx for LFDC = BDUK AD for LFDC * FTTx%	BDUK GBV FTTC for LFDC = £100 * 60% BDUK GBV FTTP for LFDC = £100 * 40% BDUK AD FTTC for LFDC = £50 * 60% BDUK AD FTTP for LFDC = £50 * 40%	BDUK GBV FTTC for LFDC = £60 BDUK GBV FTTP for LFDC = £40 BDUK AD FTTC for LFDC = £30 BDUK AD FTTP for LFDC = £20
2	64.3E.2	This step calculates BDUK Planning Cost for LFDC (FTTC and FTTP).	[Calcs are the same as Step 1 but filtered for Policy Code FCDG] BDUK GBV (Planning Cost) FTTx for LFDC = BDUK GBV [Policy Code FCDG] * FTTx% BDUK AD (Planning Cost) FTTx for LFDC = BDUK AD [Policy Code FCDG] * FTTx%	BDUK GBV (Planning Cost) FTTC for LFDC = £10 * 60% BDUK GBV (Planning Cost) FTTP for LFDC = £10 * 40% BDUK AD (Planning Cost) FTTC for LFDC = £5 * 60% BDUK AD (Planning Cost) FTTP for LFDC = £5 * 40%	BDUK GBV (Planning Cost) FTTC for LFDC = £6 BDUK GBV (Planning Cost) FTTP for LFDC = £4 BDUK AHD (Planning Cost) FTTC for LFDC = £3 BDUK AHD (Planning Cost) FTTP for LFDC = £2

#	Container Ref	Summary	Calculation	Worked Example	Example Results
3	64.3E.3	This step strips out BDUK Planning Costs from Total BDUK GBV (FTTC and FTTP).	BDUK GBV FTTx Net of Planning Cost for LFDC = BDUK GBV FTTx for LFDC (Result from Step 1) - BDUK GBV (Planning Cost) FTTx for LFDC (Result from Step 2)	BDUK GBV FTTC Net of Planning Cost for LFDC = £60 - £6 BDUK GBV FTTP Net of Planning Cost for LFDC = £40 - £4 BDUK AHD FTTC Net of Planning Cost for LFDC = £30 - £3 BDUK AHD FTTP Net of Planning Cost for LFDC = £20 - £2	BDUK GBV FTTC Net of Planning Cost for LFDC = £54 BDUK GBV FTTP Net of Planning Cost for LFDC = £36 BDUK AHD FTTC Net of Planning Cost for LFDC = £27 BDUK AHD FTTP Net of Planning Cost for LFDC = £18
4	64.3E.4	This step sums together BDUK FTTC and FTTP GBV/AHD (net of Planning Costs) calculated in Step 3, to give us totals. Then calculates NBV by subtracting AHD from GBV.	Total GBV/AHD of BDUK element in LFDC = BDUK GBV/AHD FTTC Net of Planning Cost for LFDC (Result from Step 3) + BDUK GBV/AHD FTTP Net of Planning Cost for LFDC (Result from Step 3) Total NBV of BDUK element in LFDC = Total GBV of BDUK element in LFDC (Result from above) - Total AHD of BDUK element in LFDC (Result from above)	Total GBV of BDUK element in LFDC = £54 + £36 Total AHD of BDUK element in LFDC = £27 + £18 Total NBV of BDUK element in LFDC = £90 - £45	Total GBV of BDUK element in LFDC = £90 Total AHD of BDUK element in LFDC = £45 Total NBV of BDUK element in LFDC = £45
5	7.3B.1	This step adjusts NBV for FTTC and FTTP by removing the BDUK element. NBV in FTTC and FTTP is obtained from Ledger Data and NBV for the BDUK element is taken from step 4.	For both FTTP and FTTC: FTTx BDUK Adj NBV = FTTx LFDC NBV - BDUK NBV FTTx Net of Planning Cost for LFDC (Result from Step 3) Total BDUK Adj NBV in LFDC = Total LFDC NBV - Total NBV of BDUK element in LFDC (Result from Step 4)	FTTC BDUK Adj NBV = £217 - £27 FTTP BDUK Adj NBV = £108 - £18 Total BDUK Adj NBV in LFDC = £545 - £45	FTTC BDUK Adj NBV = £190 FTTP BDUK Adj NBV = £90 Total BDUK Adj NBV in LFDC = £500
6	224.3G.1	This step calculates the NBV for Internal Network Adjustments (NA), in relation to Poles & Duct. External Network Adjustments are not considered currently as they are not material. Note that other CoWs are subject to CCA, however LFDC is not adjusted for CCA so indexation is not applied here. It utilises GBV data for Network Adjustments from Openreach.	Part A: Depreciation Calculation • Depreciation of Poles Internal NA in LFDC = GBV of Poles Internal NA in LFDC / Asset Life / 2 • Depreciation of Duct Internal NA in LFDC = GBV of Duct Internal NA in LFDC / Asset Life / 2 Part B: NBV Calculation • NBV of Poles Internal NA in LFDC = GBV of Poles Internal NA in LFDC - Depreciation of Poles Internal NA in LFDC (Result from step 6a) • NBV of Duct Internal NA in LFDC = GBV of Duct Internal NA in LFDC - Depreciation of Duct Internal NA in LFDC (Result from step 6a) Part C: Total NBV Calculation • Total NBV of Internal NA in LFDC = NBV of Duct Internal NA in LFDC (Result from step 6b) + NBV of Poles Internal NA in LFDC (Result from step 6b)	Part A: Depreciation Calculation Depreciation of Poles Internal NA in LFDC = £10 / 10 years / 2 Depreciation of Duct Internal NA in LFDC = £20 / 10 years / 2 Part B: NBV Calculation NBV of Poles Internal NA in LFDC = £10 - £0.5 NBV of Duct Internal NA in LFDC = £20 - £1 Part C: Total NBV Calculation Total NBV of Internal NA in LFDC = £9.5 + £19	Part A: Depreciation Calculation Depreciation of Poles Internal NA in LFDC = £0.5 Depreciation of Duct Internal NA in LFDC = £1 Part B: NBV Calculation NBV of Poles Internal NA in LFDC = £9.5 NBV of Duct Internal NA in LFDC = £19 Part C: Total NBV Calculation Total NBV of Internal NA in LFDC = £28.5
7	7.3C.2	This step calculates the Network Adjustment (NA) NBV percentage, based on LFDC poles NBV as a proportion of total LFDC NBV.	Internal NA Percentage Poles = NBV of Poles Internal NA in LFDC (Result from Step 6b) / Total BDUK Adj NBV in LFDC (Result from Step 5) Internal NA Percentage Duct = NBV of Duct Internal NA in LFDC (Result from Step 6b) / Total BDUK Adj NBV in LFDC (Result from Step 5) Total Non NA Percentage = 100% - (Internal NA Percentage Poles + Internal NA Percentage Duct)	Internal NA Percentage Poles = £4.5 / £500 Internal NA Percentage Duct = £9 / £500 Non-NA Percentage = 100% - (1% + 2%)	Internal NA Percentage Poles = 1% Internal NA Percentage Duct = 2% Non-NA Percentage = 97%
8	7.3C.4	This step calculates the Ethernet Cablelink adjustment.	NBV in Ethernet Excl. Cablelink = NBV in Ethernet for LFDC - NBV in Ethernet Cablelink for LFDC	NBV in Ethernet Excl. Cablelink = £220 - £10	NBV in Ethernet Excl. Cablelink = £210

#	Container Ref	Summary	Calculation	Worked Example	Example Results
9	7.3C.5	This step calculates the percentage allocations to PGs, before Poles and Network Adjustments.	FTTx PGs = BDUK Adj NBV in FTTx (Result from Step 5) / Total BDUK Adjusted NBV in LFDC (Result from Step 5) Ethernet PG = NBV in Ethernet Excl Cablelink for LFDC (Result from Step 8) / Total BDUK Adjusted NBV in LFDC (Result from Step 5) Ethernet Cablelink PG = NBV in Ethernet Cablelink for LFDC (Result from Step 8) / Total BDUK Adjusted NBV in LFDC (Result from Step 5)	FTTC PG = £190 / £500 FTTP PG = £90 / £500 Ethernet PG = £210 / £500 Ethernet Cablelink PG = £10 / £500	FTTC PG = 38% FTTP PG = 18% Ethernet PG = 42% Ethernet Cablelink PG = 2%
10	7.3C.6	Percentage Allocations after Poles and Network Adjustments	FTTC PG = FTTC PG Before NA (Result from Step 9) * Adjustment to Exclude NA (Result from Step 7) FTTP PG = FTTP PG Before NA (Result from Step 9) * Adjustment to Exclude NA (Result from Step 7) Ethernet PG= Ethernet PG Before NA (Result from Step 9) * Adjustment to Exclude Poles and NA (Result from Step 7) Ethernet Cablelink PG = Ethernet Cablelink PG Before NA (Result from Step 9) * Adjustment to Exclude (Result from Step 7) Internal NA Poles PG = Internal NA Percentage Poles (Result from Step 7) Internal NA Duct PG = Internal NA Percentage Duct (Result from Step 7)	FTTC PG = 38% * 87% FTTP PG = 18% * 87% Ethernet PG = 42% * 87% Ethernet Cablelink PG = 2% * 87% Internal NA Poles PG = 1% Internal NA Duct PG = 2%	FTTC PG = 33% FTTP PG = 16% Ethernet PG = 36% Ethernet Cablelink PG = 2% Internal NA Poles PG = 1% Internal NA Duct PG = 2%

PDTLFDC-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	64.3A.3	This step calculates Total BDUK Depreciation for LFDC (FTTC and FTTP). Values are obtained from BDUK GBV Data.	BDUK Depreciation FTTx for LFDC (Including Planning Cost) = BDUK Depreciation for LFDC * FTTx%	FTTP BDUK Depreciation (Including Planning Cost) = £100 * 70% FTTC BDUK Depreciation (Including Planning Cost) = £100 * 30 %	FTTP BDUK Depreciation (Including Planning Cost) = £70 FTTC BDUK Depreciation (Including Planning Cost)= £30
2	64.3E.2	This step calculates BDUK Planning Cost for LFDC (FTTC and FTTP).	[Calcs are same as Step 1 but filtered for Policy Code FCDG] BDUK Depreciation (Planning Cost) BDUK FTTx for LFDC = BDUK Depreciation FTTx for LFDC [Policy Code FCDG] * FTTx%	FTTP BDUK Planning Costs (Depreciation) = £14 * 70% FTTC BDUK Planning Costs (Depreciation) = £17 * 30%	FTTP BDUK Planning Costs (Depreciation) = £10 FTTC BDUK Planning Costs (Depreciation) = £5
3	64.3E.3	This step strips out BDUK Planning Costs from Total BDUK Depreciation (FTTC and FTTP).	BDUK Depreciation FTTx Net of Planning Cost for LFDC = BDUK Depreciation FTTx for LFDC (Result from Step 1) - BDUK Depreciation (Planning Cost) FTTx for LFDC (Result from Step 2)	FTTP BDUK LFDC Depreciation = £70 - £10 FTTC BDUK LFDC Depreciation = £30 - £5	FTTP BDUK LFDC Depreciation = £60 FTTC BDUK LFDC Depreciation = £25
4	64.3E.4	This step sums together BDUK FTTC and FTTP Depreciation (net of Planning Costs) calculated in Step 3, to give us totals.	Total Depreciation of BDUK element in LFDC = BDUK Depreciation FTTC Net of Planning Cost for LFDC (Result from Step 3) + BDUK Depreciation FTTP Net of Planning Cost for LFDC (Result from Step 3)	Total BDUK Depreciation = £60 + £25	Total BDUK Depreciation = £85
5	7.3B.1	This step adjusts depreciation for FTTC and FTTP by removing the BDUK element. Depreciation for FTTC and FTTP is obtained from ledger data and the depreciation for BDUK element is calculated in Step 1.	For both FTTP and FTTC: FTTx BDUK Adj Depreciation in LFDC = FTTx LFDC depreciation - BDUK FTTx LFDC depreciation (Result from Step 3) Total BDUK Adj LFDC Depreciation = Total LFDC Depreciation - Total BDUK depreciation (Result from Step 4)	FTTP BDUK Adj Depreciation in LFDC = £100 - £25 FTTC BDUK Adj Depreciation in LFDC = £200 - £60 Total BDUK Adj Depreciation in LFDC = £500 - £85	FTTP BDUK Adj Depreciation in LFDC = £75 FTTC BDUK Adj Depreciation in LFDC = £140 Total BDUK Adj Depreciation in LFDC = £415
6	224.3G.1	This step calculates the Depreciation for Internal Network Adjustments (NA), in relation to Poles & Duct. External Network Adjustments are not considered currently as they are not material. Note that other CoWs are subject to CCA, however LFDC is not adjusted for CCA so indexation is not applied here. It utilises GBV data for Network Adjustments from Openreach.	Depreciation of Poles Internal NA in LFDC = GBV of LFDC Poles Internal NA / Asset Life / 2 Depreciation of Duct Internal NA in LFDC = GBV of LFDC Duct Internal NA / Asset Life / 2 Total Depreciation of Internal NA in LFDC = Depreciation of Duct Internal NA in LFDC + Depreciation of Poles Internal NA in LFDC	Depreciation of Poles Internal NA in LFDC = £300 / 10 years Depreciation of Duct Internal NA in LFDC = £115 / 10 years Total Depreciation of Internal NA in LFDC = £30 + £11.5	Depreciation of Poles Internal NA in LFDC = £30 Depreciation of Duct Internal NA in LFDC = £11.5 Total Depreciation of Internal NA in LFDC = £41.5
7	7.3B.2	This step calculates the NA percentage, based on LFDC NA depreciation as a proportion of Total BDUK Adjusted LFDC depreciation.	Internal NA Percentage Poles = Depreciation of Poles Internal NA in LFDC (Result from Step 6) / Total BDUK Adj Depreciation in LFDC (Result from Step 5) Internal NA Percentage Duct = Depreciation of Duct Internal NA in LFDC (Result from Step 6) / Total BDUK Adj Depreciation in LFDC (Result from Step 5) Non-NA Percentage = 1 - (Internal NA Percentage Poles + Internal NA Percentage Duct)	Internal NA Percentage Poles = £30 / £415 Internal NA Percentage Duct = £11.5 / £415 Non-NA % = 100% - (7% + 3%)	Internal NA Percentage Poles = 7% Internal NA Percentage Duct = 3% Non-NA Percentage = 90%
8	7.3B.4	This step calculates the Ethernet Cablelink adjustment.	Depreciation in Ethernet Excl. Cablelink = Depreciation in Ethernet for LFDC - Depreciation in Ethernet Cablelink for LFDC	Depreciation in Ethernet Excl. Cablelink = £200 - £10	Depreciation in Ethernet Excl. Cablelink = £190

#	Container Ref	Summary	Calculation	Worked Example	Example Results
9	7.3B.5	This step calculates the percentage allocations to PGs, before Network Adjustments.	For FTTP and FTTC PGs: Depreciation before NA = BDUK Adjusted Depreciation in FTTx (Result from Step 5) / Total BDUK Adjusted Depreciation in LFDC (Result from Step 5) For Ethernet and Ethernet Cablelink PGs: Depreciation before NA = Depreciation in Ethernet for LFDC (Result from Step 8) / Total BDUK Adjusted Depreciation in LFDC (Result from Step 5)	FTTC PG = £140 / £415 FTTP PG = £75 / £415 Ethernet PG= £190 / £415 Ethernet Cablelink PG = £10 / £415	FTTC PG = 34% FTTP PG = 18% Ethernet PG = 46% Ethernet Cablelink PG = 2%
10	7.3B.6	This step calculates the percentage allocations to PGs after Network Adjustments.	FTTC PG = FTTC PG Before NA (Result from Step 9) * Adjustment to Exclude NA (Result from Step 7) FTTP PG = FTTP PG Before NA (Result from Step 9) * Adjustment to Exclude NA (Result from Step 7) Ethernet PG= Ethernet PG Before NA (Result from Step 9) * Adjustment to Exclude NA (Result from Step 7) Ethernet Cablelink PG = Ethernet Cablelink PG Before NA (Result from Step 9) * Adjustment to Exclude NA (Result from Step 7) Internal NA (Poles) PG = Internal NA Percentage Poles (Result from Step 7) Internal NA (Duct) PG = Internal NA Percentage Duct (Result from Step 7)	FTTC PG = 34% * 70% FTTP PG = 18% * 70% Ethernet PG = 46% * 70% Ethernet Cablelink PG = 2% * 70% Internal NA (Poles) PG = 7% Internal NA (Duct) PG = 3%	FTTC PG = 24% FTTP PG = 13% Ethernet PG =32% Ethernet Cablelink PG = 1% Internal NA (Poles) PG = 7% Internal NA (Duct) PG = 3%

PDTLFSCB1-B1

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.3A.1	This step calculates the FTTC% split. Values are obtained from FTTX Split inputs	FTTC% split = FTTP / Sum of FTTC & FTTP across all years (grand total)	FTTC% split = 7/100	FTTC% split = 7%
2	223.3A.1	This step calculates Poles Investment FTTC GBV allocation by multiplying GBV by FTTC percentage split. Values for this calculation are obtained from Poles Investment and FTTX Split inputs	Poles Investment FTTC Allocation = GBV * FTTC percentage split (Result from step 1)	Poles Investment FTTC (GBV) = £15,000m * 7%	Poles Investment FTTC (GBV) = £1,050m
3	223.3A.2	This step calculates Poles Allocation % by dividing Poles Investment GBV (Result from step 2) by Total Investment GBV. Values for Total Investment GBV are obtained from BDUK Assets GBV input	Poles Allocation % = Poles Investment GBV (Result from step 2) / Total Investment GBV	Poles Allocation % = (£1,050m / £300,000m)	Poles Allocation % = 0.35%
4	223.3A.3	The final step calculates Non-Poles Allocation %. To do so Poles Investment GBV (Result from step 2) is taken away from Total investment (GBV). This number is then divided by Total investment (GBV). Values for Total Investment GBV are obtained from BDUK Assets GBV input	Non-Poles Allocation % = (Total investment (GBV) - Poles Investment GBV (Result from step 2)) / Total investment (GBV)	Non-Poles Allocation % = (£300,000m - £1,050m) / £300,000m	Non-Poles Allocation % = 99.65%

PDTLFSCB6-B6

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.3A.1	This step calculates the FTTP% split. Values are obtained from FTTX Split inputs	FTTP% split = FTTP / Sum of FTTC & FTTP across all years (grand total)	FTTP% split = 7/100	FTTP% split = 7%
2	223.3A.1	TThis step calculates Poles Investment FTTC GBV allocation by multiplying GBV by FTTC percentage split. Values for this calculation are obtained from Poles Investment and FTTX Split inputs	Poles Investment FTTC Allocation = GBV * FTTC percentage split (Result from step 1)	Poles Investment FTTC (GBV) = £15,000m * 7%	Poles Investment FTTC (GBV) = £1,050m
3	223.3A.2	This step calculates Poles Allocation % by dividing Poles Investment GBV (Result from step 2) by Total Investment GBV. Values for Total Investment GBV are obtained from BDUK Assets GBV input	Poles Allocation % = Poles Investment GBV (Result from step 2) / Total Investment GBV	Poles Allocation % = £1,050m / £300,000m	Poles Allocation % = 0.35%
4	223.3A.3	The final step calculates Non-Poles Allocation %. To do so Poles Investment GBV (Result from step 2) is taken away from Total investment (GBV). This number is then divided by Total investment (GBV). Values for Total Investment GBV are obtained from BDUK Assets GBV input	Non-Poles Allocation % = Total investment GBV - Poles Investment GBV (Result from step 2) / Total investment GBV	Non-Poles Allocation % = (£300,000m - £1,050m / £300,000m	Non-Poles Allocation % = 99.65%

PDTLMC-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
		Depreciation values for TAMS, tie cables and e-side copper cable are calculated as part of the tie cable decapitalisation journal Please see steps 1-10 of Decapitalisation of WLA Tie Cables journal page for a breakdown of the calculations.			
1	017.3C.1	This step removes BDUK values from total LMC	LMC ex BDUK depreciation = LMC depreciation – LMC BDUK depreciation	LMC ex BDUK depreciation = £85m - £10m	LMC ex BDUK depreciation = £75m
2	017.3C.2	This step adjusts tie cables and total LMC values remove depreciation which relates to tie cables pay, and has therefore been decapitalised, from the allocation calculation. Part A: Subtract decapitalised tie cables depreciation from CLLU excluding BDUK Part B: Subtract decapitalised tie cables depreciation from total LMC	Part A: Tie cables depreciation = tie cables ex BDUK depreciation – tie cables decap depreciation Part B: Adjusted LMC depreciation = LMC ex BDUK depreciation$_{(Result\ from\ step\ 1)}$ – tie cables decap depreciation	Part A: Tie cables depreciation = £13.2m - £10.6m Part B: Adjusted LMC depreciation = £75m - £10.6m	Tie cables depreciation = £2.6m Adjusted LMC depreciation = £64.4m
3	212.4E.3	This step calculates in-year depreciation for NGA Commercial using, Capex data, YTD depreciation values and Asset Life values. Capex data is obtained from Fixed Asset Register data for LMC CoW, Year to date depreciation values are obtained from Loplist and Asset Life values are based on general assumptions.	NGA Commercial depreciation = (Capex Life / Asset Life (in years)) * (Period / Number of months in a year)	NGA Commercial depreciation = (£280m / £42m) * (6 / 12)	NGA Commercial depreciation = £3m
4	212.4E.1	This step calculates the total LMC depreciation excluding BDUK	Total year to date LMC depreciation ex BDUK = Total year to date depreciation - BDUK LMC depreciation	Total year to date LMC depreciation ex BDUK = £42m - £5m	Total year to date LMC depreciation ex BDUK = £37m
5	212.4E.4:	This step calculates the NGA commercial share of depreciation for PG192A allocation %	NGA share = NGA commercial depreciation $_{(Result\ from\ step\ 3)}$ / Total year to date LMC depreciation ex BDUK$_{(Result\ from\ step\ 4)}$	NGA share = £3m / £37m	NGA share = 8%
6	017.3C.2	This step recalculates NGA commercial share based on the reduced LMC depreciation after tie cables pay decap	PG192A = ((NGA Share$_{(Result\ from\ step\ 5)}$ x total LMC depreciation) + Tie Cables Decapitalisation) / adjusted LMC depreciation$_{(Result\ from\ step\ 2)}$	PG192A = (8% x £75m) / £64.4m	PG192A allocation = 9.3%
7	017.3C.3	This step calculates the PG151B allocation by calculating TAMS depreciation as a proportion of the adjusted LMC depreciation.	PG151B allocation = TAMS depreciation / adjusted LMC depreciation$_{(Result\ from\ step\ 2)}$	PG151B allocation = £2m / £64.4m	PG151B allocation = 3.1%
8	017.3C.3	This step calculates the PG130A allocation by calculating tie cables depreciation as a proportion of the adjusted LMC depreciation.	PG130A allocation = tie cables depreciation$_{(Result\ from\ step\ 2)}$ / adjusted LMC depreciation$_{(Result\ from\ step\ 2)}$	PG130A allocation = £2.6m / £64.4m	PG130A allocation = 4%
9	017.3C.3	This step calculates the PG117C allocation as the remainder from results calculated in steps 6, 7, and 8.	PG117C allocation = 1 -PG192A allocation$_{(Result\ from\ step\ 6)}$ - PG151B allocation$_{(Result\ from\ step\ 7)}$ - PG130A allocation$_{(Result\ from\ step\ 8)}$	PG117C allocation = 100% - 9.3% - 3.1% - 4%	PG117C allocation = 83.6%

PDTLMD-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	218.3B.1	This step calculates individual Transmission Fibre (Tr. Fibre) Component Bandwidth Usage Factor: This is the proportion of the total bandwidth of a bearer used by a circuit, as an individual bearer can support many circuits.	For each relevant component: $Component_{\chi}$ usage factor = Bandwidth Capacity $_{\chi}$ / '140/156 Mbps Capacity'	$Component_1$ usage factor = 21 / 63	$Component_1$ usage factor = 0.3333
2	218.3B.2	This step calculates the Individual Component Factored Tr. Fibre Lengths and Total Factored Tr. Fibre Lengths by Network PG.	Total Network PG_{γ} Factored Tr. Fibre Lengths = Sum of Individual $Component_{\chi}$ Factored Tr. Fibre Lengths: Individual $Component_{\chi}$ Factored Tr. Fibre Lengths = $Component_{\chi}$ Tr. Fibre Lengths * $Component_{\chi}$ Bandwidth Usage Factor $_{\text{(Result from step 1)}}$	Total Network PG_1 Factored Tr. Fibre Lengths = $\sum$ [100 Hits * 0.3333 BW Usage Factor] and [Factored Tr. Fibre Lengths for other components in PG_1] Individual $Component_1$ Factored Tr. Fibre Lengths = 100km * 0.3333 BW Usage Factor	Total Network PG_1 Factored Tr. Fibre Lengths = 100 km Individual $Component_1$ Factored Tr. Fibre Lengths = 33.33 km
3	218.3B.3	This step calculates individual transmission fibre components factored fibre lengths as a proportion of total Network PG transmission fibre lengths.	$Component_{\chi}$ proportion of Network PG_{γ} = Individual $Component_{\chi}$ Factored Tr. Fibre Lengths $_{\text{(Result from step 2)}}$ / Total Network PG_{γ} Factored Tr. Fibre Lengths $_{\text{(Result from step 2)}}$	$Component_1$ proportion of Network PG_1= 33.333 / 100	$Component_1$ proportion of Network PG_1 = 33.33% $\sum Component_{1\text{-}n}$ proportion of Network PG_1 = 100%
4	218.3B.4	This step calculates the Apportion of Total Tr. Fibre Lengths by Network PG to Individual Components by multiplying Total Tr. Fibre Lengths for each Network PG by the Result from Step 3.	For each relevant component in Network PG: Tr. $Component_{\chi}$ per Network PG_{γ} = Network PG_{γ} Total Transmission Fibre Lengths * $Component_{\chi}$ proportion $_{\text{(Result from step 3)}}$	Tr. $Component_1$ per Network PG_1 = 50 * 33.33%	Tr. $Component_1$ per Network PG_1 = 16.67 km
5	218.3B.10	This step calculates the Total Component Tr. Fibre Lengths per Fibre PG.	For each relevant component in Fibre PG: Tr. $Component_{\chi}$ per Fibre PG = Sum of Tr. $Component_{\chi}$ per Network $PG_{1\text{-}n\ \text{(Result from Step 4)}}$	Tr. $Component_1$ per Fibre PG = 16.67 + 16.67 + 33.33	Tr. $Component_1$ per Fibre PG = 66.67 km
6	218.3B.8	This step calculates the fibre length for each individual interexchange FTTC/FTTP fibre, which is the straight line distance between Parent and Child Exchange multiplied by an assumed factor of 1.2.	For each individual Ethernet fibre: Ethernet $Fibre_{\chi}$ length = $\sqrt{((\text{Child Exchange}_{\chi}\text{ x-coordinate - Parent Exchange}_{\chi}\text{ x-coordinate})^2 + (\text{Child Exchange}_{\chi}\text{ y-coordinate - Parent Exchange}_{\chi}\text{ y-coordinate})^2)} * 1.2$	Ethernet $Fibre_1$ length = $\sqrt{((4 - 1)^2 + (5 - 1)^2)} * 1.2 = \sqrt{((3)^2 + (4)^2)} * 1.2 = 5 * 1.2$	Ethernet $Fibre_1$ length = 6 km
7	218.3B.9	This step calculates total FTTC/FTTP fibre lengths for components CL948 (FTTP) and CL950 (FTTC).	For each Ethernet Component: Ethernet $Component_{\chi}$ Fibre Lengths = Sum of Individual Fibre $Lengths_{1\text{-}n\ \text{(Result from Step 8)}}$	Ethernet $Component_1$ Fibre Lengths = $\sum$ [6 km] and [other individual fibre lengths relating to $Component_1$]	Ethernet $Component_1$ Fibre Lengths = 100 km
8	218.3B.7	This step calculates the Apportion 21CN Fibre Lengths to Components using 21CN Network PG to Component allocations.	For each relevant component: 21CN $Component_{\chi}$ Fibre Lengths = 21CN PG_{γ} $Component_{\chi}$ $allocation_{\text{(Result from step 8)}}$ * 21CN PG_{γ} Fibre Lengths	21CN $Component_1$ Fibre Lengths = 28% * 50	21CN $Component_1$ Fibre Lengths= 14 Km
9	218.3B.6	This step calculates individual Component Fibre Lengths / Total Fibre Lengths (Transmission, Ethernet Main Links, WLA Main Links, 21CN) per Fibre PG.	Per Fibre PG: Total Fibre Lengths = Tr. $Component_{1\text{...}n}$ Fibre Lengths + 21CN Component 1 Fibre $Lengths_{1\text{...}n}$ + Ethernet $Component_{\chi}$ Adjusted Fibre Lengths + WLA Main Links $Component_{\chi}$ Adjusted Fibre Lengths Tr. $Component_{\chi}$ = Tr. $Component_{\chi}$ Fibre $Lengths_{\text{(Result from Step 5)}}$ / Total Fibre Lengths 21CN $Component_{\chi}$= 21CN $Component_{\chi}$ Fibre $Lengths_{\text{(Result from Step 13)}}$ / Total Fibre Lengths Ethernet $Component_{\chi}$ = Ethernet $Component_{\chi}$ Fibre $Lengths_{\text{(Result from Step 9)}}$ / Total Fibre Lengths WLA Main Links $Component_{\chi}$ = WLA Main Links $Component_{\chi}$ Fibre Lengths / Total Fibre Lengths	Total fibre lengths = 1,000 Tr. $Component_1$ = 66.67 / 1,000 21CN $Component_1$ = 5 / 1,000 Ethernet $Component_1$ = 100 / 1,000 WLA Main Links Components = 300 / 1,000	Tr. $Component_1$ = 6.67% 21CN $Component_1$ = 0.5% Ethernet $Component_1$ = 10% WLA Main Links Components = 30% Per Fibre PG, $Components_{1\text{...}n}$ = 100%
10	218.4B.1	This step calculates the allocation to PG170B and PG350N based on fibre lengths	PG170B allocation (Backhaul) = PG170B fibre lengths / (PG170B fibre lengths + PG350N fibre lengths) PG350N allocation (Inner core) = PG350N fibre lengths / (PG170B fibre lengths + PG350N fibre lengths)	PG170B (Backhaul) = 2.1m / (2.1m + 200k) PG350N (Inner core) = 200k / (2.1m + 200k)	PG170B (Backhaul) = 92% PG350N (Inner core) = 8%
11	18.3.1	This step calculates Total NGA Capex for Tie Cables and Cabinet	Total NGA Capex for Tie Cables and Cabinet = Total LMD-NGA Capex $_{\text{previous years}}$ + LMD-NGA Capex $_{\text{current year}}$	Total NGA Capex for Tie Cables and Cabinet = 250m + 50m	Total NGA Capex for Tie Cables and Cabinet = 300m
12	18.3.2	This step calculates Total Duct Gross Replacement Cost (GRC): Including BDUK	Total Duct Gross Replacement Cost (GRC): Including BDUK = Capital Employed - CCA Value $_{\text{from previous years}}$ + Capex CCA Value (including BDUK) $_{\text{current year}}$	Total Duct Gross Replacement Cost (GRC): Including BDUK = 2.5m + 150k	Total Duct Gross Replacement Cost (GRC): Including BDUK = 2.65m
13	18.3.3	This step calculates Total GRC for BDUK assets and the total Yearly depreciation for BDUK on LMD COW	a) Total GRC for BDUK = Gross Book Value (GBV) + CCA Allocation b) LMD BDUK GBV Value/Asset life = BDUK depreciation for the year	a) Total GRC for BDUK = 400k + 200k b) BDUK depreciation = £240m/40 = £6m	a) Total GRC for BDUK = 600k b) Total BDUK depreciation = £6m
14	18.3.4	This step calculates Total GRC: Exclusive BDUK This is done by subtracting Sum of total GRC $_{\text{for BDUK assets from}}$ Total GRC (including BDUK) (Results from step 12)	Total GRC: Exclusive BDUK = Total GRC (including BDUK) - Sum of total GRC $_{\text{for BDUK assets}}$	Total GRC: Exclusive BDUK = 2.65m - 600k	Total GRC: Exclusive BDUK = 2.05m
15	18.3.5	This step calculates Access Cable and Duct Backhaul Percentage	Duct Percentage = Duct Backhaul $_{\text{(Result from Step 14)}}$ / (Total Network) Access Cable Percentage = Access Cable $_{\text{(Result from Step 14)}}$ / (Total Network)	Duct Percentage = 6m / (6m + 2.05m) * 100 Access Cable Percentage = 2.05m / (6m + 2.05m) * 100	Duct Percentage = 66.7% Access Cable Percentage = 33.3%
16	18.3.6	This step calculates PG192A Depreciation	PG192A Depreciation = ((NGA Capex for Tie Cables and Cabinets / Openreach LopList Period) * Period) / (Book life for LMD /Period)	PG192A Depreciation = ((260m/12)*12) / (480 /12)	PG192A Depreciation = 7.5m
17	18.3.7	This step calculates PG180A Depreciation	PG180A Depreciation = Sum of YTD Depreciation tagged as External Tie Duct for LLU (from Openreach LopList)	PG180A Depreciation = 1.5m	PG180A Depreciation = 1.5m

#	Container Ref	Summary	Calculation	Worked Example	Example Results
18	18.3.8	This step calculates the Remaining Depreciation split by Access Duct and Duct Backhaul	Part A: total LMD Depreciation - BDUK LMD depreciation Part B: remaining depreciation = Total from Step A - NGA Tie Cable - LLU element Part C: Access Duct = (Remaining Depreciation * Access Duct Percentage) /100 Duct Backhaul = (Remaining Depreciation * Duct Backhaul Percentage) /100	Part A: Part A: £21m-£6m Part B £15-£10-£3m Part C: Access Duct = (Remaining Depreciation * Access Duct Percentage) /100 Duct Backhaul = (Remaining Depreciation * Duct Backhaul Percentage) /100	Part A Total LMD depreciation = £15m Part B: remaining depreciation = £2m Part C: Access Duct = 1.334m Duct Backhaul = 666k
19	18.3.9	The final step calculates PDTLMD Base Percentage To do so the Remaining Access Duct is divided by Total Depreciation, the same is applied for Duct Backhaul. The two values are added together and multiplied by 100. (Results from step 18)	PG192A Base Percentage = ([PG192A Depreciation] / [Total Depreciation]) * 100 PG180A Base Percentage = ([PG180A Depreciation] / [Total Depreciation]) * 100 PG101D Base Percentage = ((([Remaining Access Duct] / [Total Depreciation]) * 100) + (([Remaining Duct Backhaul]/ [Total Depreciation]) * 100) * Pre March 18 Duct split percentage PG102D Base Percentage = ((([Remaining Access Duct] / [Total Depreciation]) * 100) + (([Remaining Duct Backhaul]/ [Total Depreciation]) * 100) * Post March 18 Duct split percentage	PG192A Base Percentage = (7.5m / 11m) * 100 PG180A Base Percentage = (500k / 11m) * 100 PG101D Base Percentage = (1.334m / 11m) * 100 + (666k / 11m) * 100 * 0.7 PG102D Base Percentage = (1.334m / 11m) * 100 + (666k / 11m) * 100 * 0.3	PG192A Base Percentage = 68.18% PG180A Base Percentage = 13.63% PG101D Base Percentage = 12.73% PG102D Base Percentage = 5.45%

PDTLMDF-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	017.3D.1	This step calculates PG217E Year-to-date (YTD) depreciation by adjusting it for PG130A.	PG217E YTD Depreciation: • PG217E YTD Depreciation = YTD Depreciation - PG130A YTD Depreciation	PG_1 = 100 - 40	PG_1 = 60
2	017.3D.2	This step calculates the base allocation to PG as percentage of total depreciation.	For all relevant PGs: • PG217E = PG217E YTD Depreciation $_{(\text{from result 1})}$ / $\sum PG_{1...n}$ YTD Depreciation • PG130A = PG130A Depreciation / $\sum PG_{1...n}$ YTD Depreciation	PG217E = 60 / 100 PG130A = 40 / 100	PG217E = 60% PG130A = 40%

PDTIPNCO-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	221.3C.2	The capital spend for VOIP programmes (PGs PG675A & PG675B) for each year	For Plant Group A (Programme 1 Yearly Amount + Programme 2 Yearly Amount + Programme n Yearly Amount) * VOIP Capital Split	(£3m + £2m + £5m) * 30% 	10m * 0.3 = £3m
2	221.3C.3	The capital spend for each Plant Group (excluding VOIP programmes) for each year	For Plant Group B: Programme 1 Yearly Amount + Programme 2 Yearly Amount + Programme n Yearly Amount	£1m + £2m + £3m	£6m
3	221.3C.3	Total capital spend for each year over the lifespan of each Plant Group. For IRTN and SIPG programmes the life span is 60 months	Plant Group A - Step 1/60 Plant Group B - Step 2/60 ** For SIPH programmes (PG - PG678A) Step 2/60	£3m/60 £6m/60	£5k £10k
4	221.3C.4	Calculating the apportionment by dividing the capital spend of each Plant Group by the total capital spend of all Plant Groups	Plant Group A Step 3 / (Plant Group A Step 3 + Plant Group B Step 3) Plant Group B Step 3 / (Plant Group A Step 3 + Plant Group B Step 3)	(£5k/ (£5k + £10k)*100 (£10k/ (£5k + £10k))*100	33.33% 66.67%

PDTPOLES-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	224.3G.1	This step calculates the internal and external poles network adjustments relating to the LDC CoW.	Part A: Internal Network Adj Cost GRC closing = Internal Network Adj Cost GBV opening * Indexation Part B: Internal Annual Depreciation Inc CCA = Internal Network Adj Cost GRC / Asset Life / 2 Part C: Int. NA LDC NBV = Internal Network Adj Cost GRC - Internal Annual Depreciation exc CCA Repeat for external	Part A = £1.9m * 1.053 Part B = £4m / 40 Part C = £2m - £0.1m Repeat for external Part C (External) = £1m	Part A = £2m Part B = £0.1m Part C = £1.9m Repeat for external Part C (External) = £1m
2	238.3D.2	Calculates the average value of opening and closing balances of the Poles HCA Journal	Poles MCE = ((Poles HCA Journal - Opening Balance) + (Poles HCA Journal - Closing Balance))/2	Poles MCE = (£180m + £220m)/2	Poles MCE = £200m
3	224.3G.3	Adds poles CCA value	Total poles MCE = Poles MCE + Poles CCA MCE	Total poles MCE = £200m + £40m	Total poles MCE = £240m
4	224.3G.3	Network Adjustments relating to the LDC CoW are expressed as a percentage of PDTPOLES, which are then assigned to external and internal network adjustment Plant Groups for poles (PG301N and PG302N, respectively). The remaining balance is mapped to Poles Capex (PG200P)	External Network Adjustment % (PG301N) = (Int. NA LDC NRC $_{(Result\ from\ step\ 1)}$) / Total poles MCE Internal Network Adjustment % (PG302N) = (Ext. NA LDC NRC $_{(Result\ from\ step\ 1)}$) / Total poles MCE PG200P Allocation = 1 - External Network Adjustment % (PG301N) - Internal Network Adjustment % (PG302N)	External Network Adjustment (PG301N) % = £1.9m / £240m Internal Network Adjustment (PG302N) % = £1m / £240m PG200P Allocation =1 - (£2.9m / £240m)	External Network Adjustment (PG301N) % = 0.8% Internal Network Adjustment (PG302N) % = 0.4% PG200P Allocation =1 - 98.8%

PDTWDM21-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	24.A.3 C2	This step calculates percentage allocation based on Network Depreciation.	Prior year depreciation: PY: PY SUM / Asset check (asset useful life) Current year depreciation: CY: CY SUM / Asset check (asset useful life) Average: Average (PY , CY) Network depreciation: Average * Value (volumes) For all relevant PGs: PG_{χ} = PG_{χ} Network depreciation / Total Network depreciation * 100	PY = 100 / 10 CY = 150 / 5 Average = (10,30) Network depreciation = 20 * 2 PG_1 = (£40m / £100m) * 100	PY =10 CY = 30 Average = 20 Network depreciation = 40 PG_1 = 40% $\sum PG_{1...n}$ = 100%

ORSOFT-B

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	222.3E.1	This step calculates the FTE % per PG within an organisational unit. Data is obtained from the FTE numbers input.	For each relevant PG: FTE % per PG $_{\chi}$ = [PG FTE Value] / [Total Organisation unit FTE value] * 100	FTE % per PG $_{1}$ = 50 / 200 * 100	FTE % per PG $_{1}$ = 25%
2	222.3G.1	This step calculates the Depreciation % Allocation for each product. Software depreciation is obtained from the FAR (Fixed Asset Register).	For each relevant product: Depreciation % Allocation for Product $_{\chi}$ = [Depreciation for Product $_{\chi}$] / [Total Deprecation]	Depreciation % Allocation for Product $_{\chi}$ = 3,000,000 / 10,000,000	Depreciation % Allocation for Product $_{\chi}$ = 30%
3	222.3G.2	This step filters the FTE % for Service Delivery PCs and distributes FTE % per PG within Service Delivery PC's only.	For each relevant PG within Service Delivery PCs: FTE % per PG $_{\chi}$ within Service Delivery PC = [$\sum$ FTE % for PG$_{1...n\ (Result\ from\ Step\ 1)}$] / [Number of Service Delivery PC's] * 100	FTE % per PG $_{1}$ within Service Delivery PC = 80% / 5 * 100	FTE % per PG $_{1}$ within Service Delivery PC = 16%
4	222.3G.2	This step calculates the % split for Copper (LLU & Non-SMP Copper Services) Products and then calculates the weighted allocation % using the Depreciation % Allocation for each product.	For each Copper product: % split for Product $_{\chi}$ = Filter [FTE % for Product $_{\chi\ (Result\ from\ Step\ 3)}$] for Copper (LLU & Non-SMP Copper Services) Product $_{\chi}$ weighted allocation % = [% split for Product $_{\chi}$] * [Depreciation % Allocation for Product $_{\chi\ (Result\ from\ Step\ 2)}$]	% split for Product $_{1}$ = 25% Product $_{1}$ weighted allocation % = 25% * 30%	% split for Product $_{1}$ = 25% Product $_{1}$ weighted allocation % = 7.5%
5	222.3G.4	This step calculates the % split for PIA products between duct & poles and then calculates the weighted allocation % using the Depreciation % Allocation for each product. Data is obtained from the PIA volumes.	For each PIA product: % split for Product $_{\chi}$ = [Product $_{\chi}$ Volume] / [Total Volume] Product χ weighted allocation % = [% split for Product χ] * [Depreciation % Allocation for Product χ (Result from Step 2)]	% split for Product $_{1}$ = 400,000 / 1,000,000 Product $_{1}$ weighted allocation % = 40% * 30%	% split for Product $_{1}$ = 40% Product $_{1}$ weighted allocation % = 12%
6	222.3G.5	This step calculates the Depreciation £ allocation for all products.	For each product (FTTP/FTTC $_{(Result\ from\ Step\ 6)}$, PIA $_{(Result\ from\ Step\ 5)}$, Copper $_{(Result\ from\ Step\ 4)}$ and others $_{(Remaining\ from\ Step\ 2)}$): Depreciation £ allocation for Product $_{\chi}$ = [Product $_{\chi}$ weighted allocation % $_{(Result\ from\ Steps\ 2, 4, 5\ and\ 6)}$] * [Total Deprecation $_{(From\ Step\ 2)}$]	Depreciation £ allocation for Product $_{1}$ = 15% * 10,000,000	Depreciation £ allocation for Product $_{1}$ =1,500,000
7	222.3G.5	This step calculates the final % allocation.	For each relevant product: Final % allocation for Product $_{\chi}$ = [Depreciation £ allocation for Product $_{\chi\ (Result\ from\ Step\ 7)}$] / [Total Deprecation $_{(From\ Step\ 2)}$] * 100	Final % allocation for Product $_{1}$ = 1,500,000 / 10,000,000 * 100	Final % allocation for Product $_{1}$ = 15%

TSOSOFTDEP-T

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	136.3.1	This step calculates % Allocation (Base) using the Current Year (CY) Depreciation for OR Software. Depreciation data is obtained from the Fixed Asset Register (FAR). Horizontal and Allocation mapping is used to categorize assets into product groups.	For each relevant product group: % Allocation (Base) for Product Group $_{\chi}$ = [CY depreciation for Product Group $_{\chi}$] / [Total CY depreciation] * 100	% Allocation (Base) for Product Group$_{1}$ = £100k / £1000k * 100	% Allocation (Base) for Product Group$_{1}$ = 10%

Bases using Electricity Methodologies

Details for the bases are included in: Section 5.2: Bases using electricity methodologies

ELECT1-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	211.4.1	This step calculates the estimated electricity cost for non-specialised spaces per building, represented by 'Horizon code'. Firstly, each horizon code is mapped to assign each building a non-specialised building type (i.e. office/non-office, data centre, motor transport workshop) and the total non-specialised area. Building type and other factors (e.g. occupancy), are used to create an average electricity cost per m^2 for non-specialised space. This average is then used to calculate an estimated electricity cost for non-specialised space per building.	Part A: Average cost = Estimated cost / Total space Part B: Estimated cost of non-specialised space = Average cost $_{(Result\ from\ part\ A)}$ * Total office space Part C: Estimated non-office cost = Estimated Cost - Estimated cost of non-specialised space $_{(Result\ from\ Part\ B)}$	Part A: Average cost = £10m/1mm^2 Part B: Estimated cost of non-specialised space = £10 * 200k Part C: Estimated non-office cost = £10m - £2m	Part A: Average cost = £10 Part B: Estimated cost of non-specialised space = £2m Part C: Estimated non-office cost = £8m
2	211.4.2	This step calculates total space (Non-specialised office/non-office space & specialised Openreach space) per building (horizon code) across different all CFUs.	For each Horizon code: Part A: Total space $Horizon_1$ = CFU_1+CFU_2+CFU_χ Total space $Horizon_\chi$ = CFU_1+CFU_2+CFU_χ Part B: Total area $^{(m2)}$ for $Horizon_1$ = Total space $Horizon_{1\ (Result\ from\ Part\ A)}$ + Specialised Area $^{(m2)}$ $Horizon_1$ Total area $^{(m2)}$ for $Horizon_\chi$ = Total space $Horizon_{\chi\ (Result\ from\ Part\ A)}$ + Specialised Area $^{(m2)}$ $Horizon_\chi$	Part A: Total space $Horizon_1$ = 20+30+50+40+60 Total space $Horizon_\chi$ = a +b +c +d +e Part B: Total area $^{(m2)}$ for $Horizon_1$ = 200 + 20 Total area $^{(m2)}$ for $Horizon_\chi$ = Total space $Horizon_{\chi\ (Result\ from\ Part\ A)}$ + Specialised Area $^{(m2)}$ $Horizon_{\chi}$ = 300 + 40	Part A: Total space $Horizon_1$ = 200 Total space $Horizon_\chi$ = d Total space $Horizon_{1...n}$ = e Part B: Total area $^{(m2)}$ for $Horizon_1$ = 340 Total area $^{(m2)}$ for $Horizon_\chi$ = f Total area $^{(m2)}$ for $Horizon_{1...n}$ = g
3	211.4.3	This step calculates the cost of non-specialised office and non-office space by Customer Facing Unit (CFU) Calculations are carried out to assign a % of this cost to each CFU. This is then weighted in relation to the total cost of non-specialised space to provide an overall electricity cost for non-specialised office/non-office space per CFU	Allocated costs per CFU = Part A: Total costs per CFU = Non-office costs + Office costs Part B: % Costs per CFU = Total costs per CFU $_{(Result\ from\ Part\ A)}$ / Total CFU costs $_{(Total\ of\ results\ from\ Part\ A)}$ Part C: Allocated costs per CFU = Total Electricity Costs x CFU % Costs $_{(Result\ from\ Part\ B)}$	Allocated costs per CFU = Part A: £200k + £300k = £500k Part B: £500k / £5m= 0.1 Part C: £8m x 0.1	Allocated costs per CFU = CFU_1 = £800k $CFU_{1...n}$ = a
4	211.4.4	This step calculates the electricity costs to specialised Openreach space, which includes the removal of Local loop unbundling (LLU) costs % split for non-specialised Openreach products is brought in from feeder model. The average cost per m2 (calculated in steps above) is used to calculate cost of specialised Openreach space per product. This cost per product is updated after LLU costs after removed	% split of specialised Openreach electricity costs without LLU per product = Part A: Total Cost of specialised Openreach space = total specialised Openreach space (m2) * Average cost of space per m2 $_{(Result\ from\ Step\ 1,\ Part\ A)}$ Part B: Cost of specialised Openreach space per product = base % * Total Cost of specialised Openreach space $_{(Result\ from\ Part\ A)}$ Part C: Cost of specialised Openreach space per product (without LLU) = Cost of specialised Openreach space per product $_{(Result\ from\ Part\ B)}$ - LLU cost Part D: % split of specialised Openreach electricity costs without LLU per product = Cost of specialised Openreach space per product (without LLU) $_{(Result\ from\ Part\ C)}$ / Sum of all product costs without LLU *Note Base % is calculated in PDTCJF, PDTLFSC, PDTSYSXD, LUX and PDTLYX	% split of specialised Openreach electricity costs without LLU per product = Part A: Total Cost of specialised Openreach space = 1.1m * £10 Part B: Cost of specialised Openreach space per product = 5 % * £11m Part C: Cost of specialised Openreach space per product (without LLU) = £550k - £10k Part D: % split of specialised Openreach electricity costs without LLU per product = £540k / £6m	% split of specialised Openreach electricity costs without LLU per product = Part A: Total Cost of specialised Openreach space = £11m Part B: Cost of specialised Openreach space per product = £550k Part C: Cost of specialised Openreach space per product (without LLU) = £540k Part D: % split of specialised Openreach electricity costs without LLU per product = 9%

#	Container Ref	Summary	Calculation	Worked Example	Example Results
5	211.4.5 [8]	This step calculates Technology electricity costs per CFU and aggregates electricity costs relating to data centres and allocating these costs to CFUs. Summing together all space assigned as data centre. Splitting data centres into 2 categories: specialised and non-specialised. Calculating total cost of specialised and non-specialised data centre space separately using the average cost of electricity for non-specialised space (in steps above). Calculating electricity cost % splits for each CFU by dividing the data centre space for each CFU by the appropriate total (specialised/non-specialised) data centre space. Assigning an allocated (specialised and non-specialised together) data centre electricity cost per CFU through multiplying each split by a total electricity cost. Then the Technology CFU electricity costs are allocated across all CFUs using % split from the Data centre budget data input.	Part A: Specialised space total = All Specialised Space CFUs + All Specialised Space Horizons Part B: Non Specialised space total = All Non Specialised Space CFUs + All Non Specialised Space Horizons Part C: Estimated electricity costs for Non Specialised space = Total office space (Answer from Part B) * Average Cost (Answer from Step 1, Part A) Part D: Estimated electricity costs for Specialised space = Total BT data centre only costs - Estimated electricity costs for Non Specialised space (Answer from Part C) Part E: % Specialised Space allocation per CFU = CFU Specialised Space / Total Specialised Space (Result from Part A) Part F: % Non Specialised Space allocation per CFU = CFU Non Specialised Space / Total Non Specialised Space (Result from Part B) Part G: Non Specialised allocated electricity costs per CFU = Total estimated electricity costs for Non Specialised space (Result from Part C) * % Non Specialised Space allocation per CFU (Result from Part F) Part H: Specialised allocated electricity costs per CFU = Total estimated electricity costs for Specialised space (Result from Part D) * % Specialised Space allocation per CFU (Result from Part E) Part I: Technology electricity costs per CFU = (Technology CFU Specialised electricity costs (Result from Part H) + Technology CFU Non Specialised electricity costs (Result from Part G)) * % CFU split *Note % Split used in Part I is from Power budget data centre	Part A: Specialised space total = 1000 + 2000 + 500 + ... + 700 Part B: Non Specialised space total = 1500 + 2500 + 800 ..... + 600 Part C: Estimated electricity costs for Non Specialised space = 14k * £10 Part D: Estimated electricity costs for Specialised space = Total BT data centre only costs - £7m - £140k Part E: % Specialised Space allocation per CFU = 10.5k / 35k Part F: % Non Specialised Space allocation per CFU = 2.8k / 14k Part G: Non Specialised allocated electricity costs per CFU = £140k * 0.20 Part H: Specialised allocated electricity costs per CFU = £6.86m * 0.30 Part H: Specialised allocated electricity costs per CFU = Total estimated electricity costs for Specialised space (Result from Part D) * % Non Specialised Space allocation per CFU (Result from Part E) Part I: Technology electricity costs per CFU = (£28k + £2.06m) * 0.25	Part A: Specialised space total = 35k Part B: Non Specialised space total = 14k Part C: Estimated electricity costs for Non Specialised space = £140k Part D: Estimated electricity costs for Specialised space = £6.86m Part E: % Specialised Space allocation per CFU = 0.30 Part F: % Non Specialised Space allocation per CFU = 0.20 Part G: Non Specialised allocated electricity costs per CFU = £28k Part H: Specialised allocated electricity costs per CFU = £2.06m Part I: Technology electricity costs per CFU = £522k
6	211.4.7	This step calculates total specialised technology (less LLU) costs in order to allocate these to specific categories across BT	Specialised Technology less LLU = Part A: 3rd party costs less LLU = Total 3rd Party costs - LLU Cost Part B: Specialised Technology less LLU = Total Electricity costs - total of below *Motor transport BT Costs *Third party electricity Less LLU (Result from Part A) *Office space costs *NGA costs (estimated using NGA Power Consumption forecast and Electricity Unit Costs) *LLU costs (estimated using Electricity Unit costs and LLU Metered, LLU Unmetered Power Consumption) *Data centre costs	Specialised Technology less LLU = Part A: 3rd party costs less LLU = £17m - £15m Part B: Specialised Technology less LLU = £100m - (£10m + £20m + £2m + £9m + £5m + £4m)	Specialised Technology less LLU = £50m
7	211.2.8	This step allocates specialised TSO electricity costs to Plant Groups based on the specialised equipment power consumption split. *Note: specialised equipment power allocation is calculated in PDTPANDA step 1*	Plant Group$_x$ TSO Electricity Usage = Specialised Technology less LLU (from step 6) * Plant Group$_X$ Power Allocation	Plant Groupx TSO Electricity Usage = £50m * 33%	Plant Groupx TSO Electricity Usage = 16.7m
8	211.4.9	This step calculates % allocation of the total electricity base cost for each PG/product/ Activity Group (Next generation access (NGA), BT sports hub, CFU % calculation based on total cost)	CFU_1 % allocation = CFU_1 electricity cost/ Total electricity cost CFU_2 % allocation = CFU_2 electricity cost/ Total electricity cost ... CFU_x % allocation = CFU_x electricity cost/ Total electricity cost Note: for CFU costs associated with Technology specialised values, see step 7	CFU_1 % allocation = £10m / £100m CFU_2 % allocation = £500k / £100m ... CFU_x % allocation = £2m / £100m	CFU_1 % allocation = 10% CFU_2 % allocation = 0.5% ... CFU_x % allocation = 2%

[8] % Split used in Part I is from Data centre budget data Input container (211.2.21)

PANDAL-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	221.3H.4	This step calculates the split of LLU between rentals and new provides.	LLU Rentals Split • LLU Rentals Depreciation / Total LLU Depreciation LLU New Provides Split • LLU Rentals Depreciation / Total LLU Depreciation	LLU Rentals Split = £10m / £40m LLU New Provides Split = £30m / £40m	LLU Rentals Split = 25% LLU New Provides Split = 75%
2	221.3H.5	This step calculates the LLU rentals and new provides adjustments. LLU Proportion of Total Electricity is calculated in step 3 of PDTPANDA.	LLU Rentals Adjustment • LLU Proportion of Total Electricity * LLU Rentals Split (from step 1a) LLU New Provides Adjustment • LLU Proportion of Total Electricity * LLU New Provides Split (from step 1b)	LLU Rentals Adjustment= 10% * 25% LLU New Provides Adjustment = 10% * 25%	LLU Rentals Adjustment = 2.5% LLU New Provides Adjustment = 7.5%
3	221.3H.6	PANDAL base allocation This step applies the LLU adjustment from step 2 to the specialised equipment power allocation. Specialised equipment power allocation is calculated in step 2 of PDTPANDA.	Adjusted Plant Group Allocation • Plant Group$_{\chi}$ Power Allocation * (1 - LLU Proportion of Total Electricity) LLU Rentals • LLU Rentals Adjustment (from step 2a) LLU New Provides • LLU New Provides Adjustment (from step 2b)	Adjusted Plant Group1 Allocation = 33% * (1 – 10%) LLU Rentals = 2.5% LLU New Provides = 7.5%	Adjusted Plant Group1 Allocation = 30% LLU Rentals = 2.5% LLU New Provides = 7.5%

PDTPANDA-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	221.3H.1	This step calculates the Power Consumption. Volumes are obtained from OR RAW Volumes input, and Equipment Power Usage is obtained from the standard ratings for each equipment type	For each relevant equipment type: Plant Group Power Consumption = Equipment$_{\chi}$ Volume * Equipment$_{\chi}$ Power Usage	Plant Group$_1$ Power Consumption = 100 * 50	Plant Group$_1$ Power Consumption = 5,000
2	221.3H.2	This step calculates the Power allocation by dividing the power consumption of each Plant Group by the total power consumption.	Total Power Consumption = $\sum$ Plant Group$_{\chi}$...n Power Consumption$_{(\text{from step 1})}$ Plant Group$_{\chi}$ Power Allocation = Plant Group$_{\chi}$ Power Consumption$_{(\text{from step 1})}$ / Total Power Consumption $_{(\text{from step 2a})}$	Total Power Consumption = 5,000 + Power consumption for all other relevant PGs (e.g. 10,000) Plant Group$_1$ Power Allocation = 5000 / 15,000	Total Power Consumption = 15,000 Plant Group1 Power Allocation = 33%
3	221.3H.3	This step calculates the LLU adjustment.	LLU Proportion of Total Electricity = Total LLU Electricity Cost / Total BT Electricity Cost	LLU Proportion of Total Electricity = £20m / 200m	LLU Proportion of Total Electricity = 10%
4	221.3H.7	PDTPANDA base allocation This step applies the LLU adjustment from step 4 to the specialised equipment power allocation from step 2.	Adjusted Plant Group Allocation = Plant Group$_{\chi}$ Power Allocation$_{(\text{from step 2})}$ * (1 - LLU Proportion of Total Electricity$_{(\text{from step 3})}$) LLU Rentals = LLU Proportion of Total Electricity$_{(\text{from step 3})}$	Adjusted Plant Group$_1$ Allocation = 33% * (1 – 10%) LLU Rentals = 10%	Adjusted Plant Group$_1$ Allocation = 30% LLU Rentals = 10%

Bases using Labour Methodologies

Details for the bases are included in: Section 5.2: Bases using labour methodologies

PDTFTTCR-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1 to 4		Steps 1 to 4 are as per the PDTUDL-Q Page but with regard CoW FTTCR			
5	223.3C.8	Ensure total cost allocation for CoW FTTCR (which is mapped to the Base PDTFTTCR-Q) sums to 100%. If it does not equal 100%, the remaining % is allocated to PG955M (GEA FTTC Maintenance).	PDTFTTCR Total unmapped balances Step 1: Remaining % of base to allocate= 100%- % calculated in Steps 1-5 Step 2: Allocate remainder to PG955M.	Step 1: 100%- 20%= 80% Step 2: 80% allocation to PG955M	PG955M Cost Allocation %= 80%

PDTFTTPR-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1 to 4		Steps 1 to 4 are as per the PDTUDL-Q Page but is with regard CoW FTTPR			
5	223.3C.8	Ensure total cost allocation for CoW FTTPR (which is mapped to the Base PDTFTTPR-Q) sums to 100%. If it does not equal 100%, the remaining % is allocated to PG956M (GEA FTTP Maintenance).	PG956M Total unmapped balances Step 1: Remaining % of base to allocate= 100%- % calculated in Steps 1-5 Step 2: Allocate remainder to PG956M.	Step 1: 100%- 20%= 80% Step 2: 80% allocation to PG956M	PG956M Cost Allocation % for PG956M = 80%

PDTUDL-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.3C.1	This step calculates how much direct labour cost should be recognised for TRC, AVC, SFI and SFVA on each of the relevant Plant Groups.	Step 1: Calculate number of labour hours= Revenue volume * Average Task Time Step 2: Calculate cost to be recognised on Plant Groups= Labour Hours (Step 1) * Labour rate per hour Step 3: Deduct AVC decapitalisation balances from AVC total (as that element of cost is already included), and remove pre captured TRC costs (to avoid duplication of final costs). AVC= AVC Cost (Step 2) - AVC Decap TRC= TRC Cost (Step 2) - Pre captured TRC costs	e.g. AVC. Step 1= 200k *1.5= 300 hours Step 2= 300k hours * £35= £10.5m Step 3: £10.5m- £4m= £6.5m.	Step 3: AVC Allocation = £6.5m
2	223.3C.2-223.3C.4	This step calculates how much of the UDL CoW needs to be allocated to PG989A (Special Fault Investigations), PG981R (Time Related Charges), PG150B (Abortive Visits) and PG154B (NGA Visit Assure)	Step 1: Calculate UDL COW Hours as % of total hours for SFISame steps completed for SFVA, TRC and AVC. Step 2: Calculate relative amount of cost attributable from PDTUDL to SFI= % of total hours for SFI (Step 1) * Cost for all SFI (Part 1) Same steps completed for SFVA, TRC and AVC. Step 3: % to be allocated from PDTUDL to SFI= Relative amount of cost attributable from base (Step 2) / Total cost on base Same steps completed for SFVA, TRC and AVC. Step 4: Remaining allocations required to SFI = Total amount to be allocated to SFI (From Part 1) - Sum of all relevant COW bases allocations to SFI Same steps completed for SFVA, TRC and AVC. Step 5: PDTUDL additional allocation to SFI= Remaining allocation to SFI required (Step 4) * UDL % of SFI hours (Step 1) Same steps completed for SFVA, TRC and AVC. Step 6: Total allocation from PDTUDL to SFI= Additional allocation (Step 5) + Original Allocation (Step 2) Same steps completed for SFVA, TRC and AVC. Step 7: Total SFI % allocation from PDTUDL= Total allocation from PDTUDL (Step 6)/ Total cost on base Same steps completed for SFVA, TRC and AVC.	Step 1: 1,000 hours/ 10,000 hours = 10% Step 2: 10% * £10.5m= £1,050kStep 3= £1,050 / £5m= 21% Step 4= £10.5m - £1,050= £9.45m Step 5= £9.45m * 10%= £945k Step 6= £1,050+ £945k = £1,995k Step 7= £1,995/ £5m=	Step 7: PDTUDL allocation to SFI= 39.9%

3	223.3C.6	This step calculates how much of the CoW UDL needs to be allocated to PG252B and MPF Enhanced Care Level 3/4 (PG167A).	PG252B / PG167A Cost Allocation %: Part A: Unit cost for level 2 lines = Total SML2 Cost (£) / Total lines with SML2 Part B: MPF/WLR Cost (£) = MPF/WLR Total Enhanced care volumes * Unit cost for level 2 lines (Result from Part A) Part C: Cost Pertaining to Enhanced Care (£) = (Total Pay cost for UDL CoW (£) / Total Pay Costs for 3 biggest maintenance CoW (£)) * MPF/WLR Cost (£)(Result from Part B) Part D: Proportion of CoW UDL to be allocated to PG167A (MPF) and PG252B = Cost Pertaining to Enhanced Care MPF/WLF (£)(Result from Part C) / Total Pay cost for UDL CoW (£)	Worked example for PG167A Cost Allocation % only: Part A: £15m / £10m = 1.5 Part B: £4m * 1.5 = £6m Part C: £100m / 250m * £6m = £1.5m Part D: £1.5m / £100m	Part D: PG167A = 1.5%
4	223.3C.7	This step calculates how much of the CoW UDL needs to be allocated to PG252B and MPF Enhanced Care Level 2 (PG169A).	PG252B / PG169A Cost Allocation %: Part A: Total SML2 Costs (£) = Labour Rate Per Hour * SML2 Kilo labour hours (KMH) Engineering Time Part B: MPF/WLF% = MPF/WLF lines with SML2 / Total lines with SML2 Part C: MPF/WLF Cost (£) = MPF/WLF %(Result from Part B) * Total SML2 Cost (£)(Result from Part A) Part D: Cost Pertaining to Enhanced Care (£) = (Total Pay cost for UDL CoW (£) / Total Pay Costs for 3 biggest maintenance CoW (£)) * MPF/WLF SML2 Cost (£) (Result from Part C) Part E: Proportion of CoW UDL to be allocated to PG169A (MPF) and PG252N (WLF) = Cost Pertaining to Enhanced Care MPF/WLF (£)(Result from Part D) / Total Pay cost for UDL CoW (£)	Worked example for PG169A only: Part A: £30 * £500k = £15m Part B: £3m / £10m = 30% Part C: 30% * £15m = £4.5m (MPF) Part D: £100m / £250m * £4.5m = £1.8m Part E: £1.8m / £100m	Part E: PG169A = 1.8%
5	223.3C.8	This step ensures the total cost allocation for CoW UDL (which is mapped to the Base PDTUDL-Q) sums to 100%. If it does not equal 100%, the remaining % is allocated to PG118M - D-Side Copper Mtce	PG118M Cost Allocation % = (100 – Step 2 – Syep 3 – Step 4)Results from	PG118M Cost Allocation % = (100% – 39.9% - - 1.8% - 5% - 1.5% - 2%)	PG118M Cost Allocation % = 7549.8%

PDTUEL-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1 to 4		Steps 1 to 4 are as per the PDTUDL-Q page but is with regard CoW UEL			
6	223.3C.8	Ensure total cost allocation for CoW UEL (which is mapped to the Base PDTUEL-Q) sums to 100%. If it does not equal 100%, the remaining % is allocated to PG117M - E Side Copper Current.	PG117M Cost Allocation % = (100 - Result of Steps 1 to 4)	PG117M Cost Allocation % = (100 - 60)	PG117M Cost Allocation % = 40%

PDTMISC-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1 to 4		Steps 1 to 4 are as per the PDTUDL-Q page but is with regard CoW FTTPR			
5	223.3C.8	Ensure total cost allocation for CoW MISC (which is mapped to the Base PDTMISC-Q) sums to 100%. If it does not equal 100%, the remaining % is allocated to AG407 (Openreach Operations Pay)	PDTMISC Total unmapped balances Step 1: Remaining % of base to allocate= 100%- % calculated in Steps 1-4 Step 2: Allocate remainder to AG407	Step 1: 100%- 20%= 80% Step 2: 80% allocation to AG407	AG407 Cost Allocation %= 80%

Bases using Network Data Methodologies

Details for the bases are included in: Section 5.2: Bases using network data methodologies

PDTCJF-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1 - 5	See PDTLMD -Q.	These steps calculate the core fibre lengths in km. Steps 1 - 5 are identical to PDTLMD-Q.	See PDTLMD-Q.	See PDTLMD-Q.	See PDTLMD-Q.
6	218.3C	Percentage allocation based on Fibre Lengths (%)	PG350N = [Core Fibre Length (km)$_{\text{(Result from Step 5)}}$ + 21CN Metro Core circuit length + NDGWDM_metro_core length] / [Core Fibre Length (km)+ Backhaul Fibre Length (km)] PG170B = [Backhaul Fibre Length (km)$_{\text{(Result from Steps 5 and 7)}}$ +21CN DSLAM to Metro circuit length] / [Core Fibre Length (km)+ Backhaul Fibre Length (km)]	PG350N = (25km + 5km+2km) / 100km PG170B = (60km + 8km) / 100km	PG350N = 32% PG170B = 68%

PDTLFSC-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	64.3A.3	This step calculates Total BDUK GBV for LFSC (FTTC and FTTP). Values are obtained from BDUK GBV Data.	BDUK GBV FTTx for LFDC = BDUK GBV for LFDC * FTTx%	BDUK GBV FTTC for LFDC = £100 * 25% BDUK GBV FTTP for LFDC = £100 * 15%	BDUK GBV FTTC for LFDC = £25 BDUK GBV FTTP for LFDC = £15
2	64.3E.2	This step calculates BDUK Planning Cost for LFSC (FTTC and FTTP).	[Steps are same as Part A but filtered for Policy Code FSDG] BDUK GBV (Planning Cost) FTTx for LFDC = BDUK GBV Closing [Policy Code FSDG] * FTTx%	BDUK GBV (Planning Cost) FTTC for LFDC = £40 * 25% BDUK GBV (Planning Cost) FTTP for LFDC = £33 * 15%	BDUK GBV (Planning Cost) FTTC for LFDC = £10 BDUK GBV (Planning Cost) FTTP for LFDC = £5
3	64.3E.3	This step strips out BDUK Planning Costs from Total BDUK Depreciation (FTTC and FTTP).	BDUK GBV FTTx Net of Planning Cost for LFDC = BDUK GBV FTTx for LFDC $_{\text{(Result from step 1a)}}$ - BDUK GBV (Planning Cost) FTTx for LFDC $_{\text{(Result from step 1b)}}$	BDUK GBV FTTC Net of Planning Cost for LFDC = £25 - £10 BDUK GBV FTTP Net of Planning Cost for LFDC = £15 - £5	BDUK GBV FTTC Net of Planning Cost for LFDC = £15 BDUK GBV FTTP Net of Planning Cost for LFDC = £10
4	64.3E.4	This step sums together BDUK FTTC and FTTP GBV (net of Planning Costs) calculated in Step 3, to give us totals.	Total GBV of BDUK element in LFDC = BDUK GBV FTTC Net of Planning Cost for LFDC $_{\text{(Result from part c)}}$ + BDUK GBV FTTP Net of Planning Cost for LFDC $_{\text{(Result from part c)}}$	Total GBV of BDUK element in LFDC = £15 + £10	Total GBV of BDUK element in LFDC = £25
5	7.3A.1	Part A: This step calculates the BDUK percentage reduction which is used to adjust the fibre connection volumes for FTTP and FTTC. GBV for FTTC and FTTP of LFSC CoW is obtained from Ledger Data Part b: This step calculates the BDUK adjustment to FTTC and FTTP connections. The same adjustment is applied to both FTTC and FTTP volumes.	Part A: BDUK % Reduction = 1 - (Total GBV of BDUK element in LFDC $_{\text{(Result from step 4)}}$ / Total GBV for LFSC) Part B: For FTTC and FTTP: BDUK Adj FTTx Connections = No. of FTTx Connections * BDUK % Reduction $_{\text{(Result from step a)}}$	Part A: BDUK % reduction = 1 - (£25/£100) Part B: BDUK Adj FTTC Connections = 500 * 0.75 BDUK Adj FTTP Connections = 300 * 0.75	Part A: BDUK % reduction = 75% Part B: BDUK Adj FTTC Connections = 375 BDUK Adj FTTP Connections = 225
6	7.3A.2	This step calculates the network adjustment (NA) percentage, and determines the resultant non-network adjustment percentage. Note that PDTLFSC only currently considers Internal Network Adjustments for Duct, as External Network adjustments (Duct and Poles) and Internal Network Adjustments (Poles) are immaterial.	Part A: NA % = GBV of Network Adjustments in LFSC / GBV of LFSC Part B: NA Adj % = 1 - Network Adjustments Percentage $_{\text{(Result from Part A)}}$	Part A: NA % = £10 / £100 Part B: Non-NA % = 100% - 10%	Part A: NA % = 10% Part B: Non-NA % = 90%
7	7.3A.3	This step calculates the percentage allocations before Network Adjustments. It calculates the BDUK adjusted connections as a proportion of total connections (i.e. BDUK Adjusted FTTC Connections + BDUK FTTP Connections + Ethernet Connections).	Ethernet PG before NA = Ethernet connections / Total connections For FTTC and FTTP Before NA: FTTx PG before NA = BDUK adj FTTx connections $_{\text{(Result from step 5b)}}$ / Total connections	Ethernet PG = 200 / (375 + 225 + 200) FTTC PG = 375 / (375 + 225 + 200) FTTP PG = 225 / (375 + 225 + 200)	Ethernet PG = 25% FTTC PG = 47% FTTP PG = 28%
8	7.3A.4	This step calculates the percentage allocations to PGs after Network Adjustments.	FTTx PG = FTTx PG before NA $_{\text{(Result from step 7)}}$ * Non-NA % $_{\text{(Result from step 6b)}}$ NA PG = NA % $_{\text{(Result from step 6a)}}$	FTTC PG = 47% * 90% FTTP PG = 28% * 90% Ethernet PG = 25% * 90% NA PG = 10%	FTTC PG = 42% FTTP PG = 25% Ethernet PG = 23% NA PG = 10%

Bases using Other Miscellaneous Methodologies

Details for the bases are included in: Section 5.2: Bases using other miscellaneous methodologies

COMPE-T

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	137.3.1	This step calculates the proportion of computers for each CFU.	For each CFU: Proportion per CFU_{χ} = CFU_{χ} computer volume / Total volumes	Proportion per CFU_1 = £20k / £100k	Proportion per CFU_1 = 20% $CFU_{1...n}$ = 100%
2	137.3.2	This step calculates the allocation % to AGs and RoBT by summing the relevant CFU proportions calculated in step 1.	AG118 % = $AG118_{CFU1}$% + $AG118_{CFU2}$% +... AG401 % = $AG401_{CFU1}$% + $AG401_{CFU2}$% +... AG402 % = $AG402_{CFU1}$% + $AG402_{CFU2}$% +... P008 % = $P008_{CFU1}$% + $P008_{CFU2}$% +...	AG118 % =1% + 2% + 2%. AG401 % = 3% + 5 % + 10% AG402 % = 10% + 22% + 8% P008 % = 20% + 10% + 5% + 3%	AG118 % = 4% AG401 % = 18% AG402 % = 40% P008 % = 38%

PDTCPDSL-B

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.3H.2	This step calculates the sum of the line values for each period and product from the CPDSL data. Values for this calculation are obtained from CPDSL input	Line $Value_{\chi}$ = $Product_1$ $Service_{\chi}$ + ... $Product_n$ $Service_{\chi}$	Line $Value_{FTTC}$ = 50 + 80 + 20 Line $Value_{FTTP}$ = 100 + 90 + 80 Line $Value_{ADSL}$ = 200 + 130 + 120	Line $Value_{FTTC}$ = 150 Line $Value_{FTTP}$ = 270 Line $Value_{ADSL}$ = 450
2	223.3H.2	The step calulates the base allocation to PGs by dividing the line value for each service by the total line value of all services. ASDL products are grouped with FTTC products, values from step 1.	FTTC Allocation = Line $value_{FTTC(Result\ from\ step\ 1)}$+ Line $value_{ADSL(Result\ from\ step\ 1)}$ / Total line $value_{(Sum\ results\ from\ step\ 1)}$ FTTP Allocation = Line $value_{FTTP(Result\ from\ step\ 1)}$ / Total line $value_{(Sum\ results\ from\ step\ 1)}$	FTTC Allocation = 150 + 450 / (870) FTTP Allocation = 270 / (870)	FTTC Allocation = 69% FTTP Allocation = 31%

PDTEMP-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	228.3A.1	This base is calculated based on the Xian Costs charged to Openreach proportioned to total costs in Business services.	PG449A = Total Xian Costs for OR / Total costs booked to Business P008 = 1 - PG449A	PG449A = 60/ 100 P008 = 100- 60	PG449A = 60% P008 = 40%

PDTWYL-B

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.3Z.1	The wayleaves split is based on a sample of invoices evaluated by Openreach. It is a fixed period of the year but extrapolated so the % provided covers the year. Wayleaves duct is then split between pre and post March 2018. Values for this calculation are obtained from Wayleaves Split input	$Wayleaves_{(poles)}$ % = $30\%_{(fixed\ for\ the\ year)}$ $Wayleaves_{(duct\ pre\ March\ 18)}$ % = $70\%_{(fixed\ for\ the\ year)}$ * pre March 18 duct split percentage $Wayleaves_{(duct\ post\ March\ 18)}$% = $70\%_{(fixed\ for\ the\ year)}$* post March 18 duct split percentage	$Wayleaves_{(poles)}$ % = 30% $Wayleaves_{(duct\ pre\ March\ 18)}$ % = 70% * 0.7 $Wayleaves_{(duct\ post\ March\ 18)}$ % = 70% * 0.3	$Wayleaves_{(poles)}$ % = 30% $Wayleaves_{(duct\ pre\ March\ 18)}$ % = 49% $Wayleaves_{(duct\ post\ March\ 18)}$ % = 21%

Bases using Property and Insurance Methodologies

Details for the bases are included in: Section 5.2: Bases using property and insurance methodologies

ACCOMM1-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	211.8.1	For both Telereal and BT-owned office buildings, this step allocates the accommodation recharges for vacant space within office buildings to all other CFUs in that building. NB: "Buildings" in this context refer to floor space; a building may have both office and specialised floor space.	For each CFU within each Telereal or BT-owned office building: • CFU_{γ} Office $Building_{\chi}$ Additional Recharge = ([CFU_{γ} Office $Building_{\chi}$ Recharges] / [Σ $CFU_{1...n}$ Office $Building_{\chi}$ Recharges]) * [Office $Building_{\chi}$ Vacant Space Recharges] For each of Telereal or BT-owned: • Total $Owner_{BT/TR}$ CFU_{γ} Office Additional Recharge = [Σ CFU_{γ} Office $Building_{1...n}$ Additional Recharge]	Technology Office $Building_1$ Additional Recharge = (1,000 / 10,000) * 500 Total Telereal Technology Office Additional Recharge = 50 + additional recharges from other buildings i.e. 150	Total Telereal Technology Office Additional Recharge = 200
2	211.8.2	For both Telereal and BT-owned specialised buildings, this step allocates the accommodation recharges for vacant space within specialised buildings to all other CFUs in that building. NB: "Buildings" in this context refer to floor space; a building may have both office and specialised floor space.	For each CFU within each Telereal or BT-owned specialised building: • CFU_{γ} Specialised $Building_{\chi}$ Additional Recharge = ([CFU_{γ} Specialised $Building_{\chi}$ Recharges] / [Σ $CFU_{1...n}$ Specialised $Building_{\chi}$ Recharges]) * [Specialised $Building_{\chi}$ Vacant Space Recharges] For each of Telereal or BT-owned: • Total $Owner_{BT/TR}$ CFU_{γ} Specialised Additional Recharge = [Σ CFU_{γ} Specialised $Building_{1...n}$ Additional Recharge]	Technology Specialised $Building_1$ Additional Recharge = (2,000 / 20,000) * 1,000 Total BT-owned Technology Specialised Additional Recharge = 100 + additional recharges from other buildings i.e. 300	Total BT-owned Technology Specialised Additional Recharge = 400
3	211.8.3	This step reallocates the recharges of vacant space in specialized buildings with an MDF (Main Distribution Frame) from Openreach to other CFUs using Horizon Code and Owner categories. NB: "Buildings" in this context refer to floor space; a building may have both office and specialised floor space.	For Openreach within each Telereal or BT-owned specialised building: • OR MDF $Building_{\chi}$ Vacant Space Recharge Adjustment = ([OR MDF $Building_{\chi}$ Recharges] / [Σ Total OR MDF Recharges]) * [Overall MDF Site Vacant Space Recharge] • OR MDF $Building_{\chi}$ Vacant Space Recharge = OR MDF $Building_{\chi}$ Vacant Space Recharge Adjustment - OR MDF $Building_{\chi}$ Recharge For each non-OR CFU within each Telereal or BT-owned specialised building: • CFU_{γ} MDF $Building_{\chi}$ Vacant Space Recharge = ([CFU_{γ} MDF $Building_{\chi}$ Recharge] / [Total MDF Recharges excl. Vacant Space]) * [Overall MDF Site Vacant Space Recharge] For each of Telereal or BT-owned: • Total $Owner_{BT/TR}$ CFU_{γ} MDF Vacant Space Recharge = [Σ CFU_{γ} MDF $Building_{1...n}$ Vacant Space Recharge]	OR MDF $Building_1$ Vacant Space Recharge Adjustment = (500 / 5,000) * 250 OR MDF $Building_1$ Vacant Space Recharge = 25 - 100 Technology MDF $Building_1$ Vacant Space Recharge = (250 / 2,500) * 250 Total Telereal Technology MDF Vacant Space Recharge = 25 + additional recharges from other buildings i.e. 75 Total BT-owned OR MDF Vacant Space Recharge = -75 + additional recharges from other buildings i.e. -125	Total Telereal Technology MDF Vacant Space Recharge = 100 Total BT-owned OR MDF Vacant Space Recharge = -200
4	211.5.4	This step calculates total recharges to the following categories and associated AGs (NB: MDF counting as specialised): • AG170 – Specialized building, BT-owned • AG171 – Specialized building, Telereal • AG172 – Office building, BT-owned • AG173 – Office building, Telereal The apportionment of costs to the AGs above are done in proportion of the recharges in each category to total recharges.	For each owner: • $Owner_{BT/TR}$ Office Total Recharge = [Σ $Owner_{BT/TR}$ $CFU_{1...n}$ Office $Building_{1...n}$ Recharges] + [Σ $Owner_{BT/TR}$ $CFU_{1...n}$ Office Additional Recharge]$_{(Result\ from\ step\ 1)}$ • $Owner_{BT/TR}$ Specialised Total Recharge = [Σ $Owner_{BT/TR}$ $CFU_{1...n}$ Specialised $Building_{1...n}$ Recharges] + [Σ $Owner_{BT/TR}$ $CFU_{1...n}$ Specialised Additional Recharge]$_{(Result\ from\ step\ 2)}$ + [Σ $Owner_{BT/TR}$ $CFU_{1...n}$ MDF Vacant Space Recharge]$_{(Result\ from\ step\ 3)}$ For each AG: • AG_{χ} Allocation = $Owner_{BT/TR}$ $Type_{Office/Specialised}$ Total Recharge / [Σ $Owner_{BT\ \&\ TR}$ $Type_{Office\ \&\ Specialised}$ Total Recharge]	BT-owned Specialised Total Recharge = 60,000 + [400 + additional recharges from other buildings i.e. 2,600] + [100 - 200 + additional recharges from other buildings i.e. 900] AG170 Allocation = 64,000 / 200,000 Telereal Office Total Recharge = 50,000 + [200 + additional recharges from other buildings i.e. 1,800] AG173 Allocation = 52,000 / 200,000	AG170 Allocation = 32% AG173 Allocation = 21% $\sum AG_{1...n}$ Allocation = 100%

ACCOMMBS-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	211.6.1	Fixed Asset weightings created by taking the cost split between the 4 Property AGs and weighting it by net book value.	Example of calculation for one building and Customer Facing Unit (CFU) but each will be repeated for all buildings and CFUs Allocation % to AG = (CFU property charge for Building 1/ Total property charge for Building 1) x (Fixed assets NBV of Building 1/ Total Fixed Assets NBV)	(CFU 1 office charge for Building 1 / Total office charge for Building 1) = £300/£1000 = 0.3 Fixed assets NBV for Building 1/Total fixed assets NBV = £5000/£50000 = 0.1 Proprortion of AG charged to CFU 1 for building 1 = 0.3 x 0.1 = 0.03	AG1 allocated to CFU 1 for Building 1 = 3% (0.3x100) All other allocations sum to 97%

INSURE-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	139.3.1	This step pulls through the Insurance Premium Charges by CFU and splits out Openreach and BT Technology CFU's charges into Fixed Asset and Other categories. Insurance Premium Charges are obtained from the Group Risk Financing and Premium Allocation input. Category split is obtained from Insurance Premium Types and Categories input.	For each CFU: CFU_{χ} Total Premiums = $\sum$ [Insurance Premiums by CFU] For Openreach and Technology CFU's: CFU_{χ} Category $_{(other)}$ Premiums = [CFU_{χ} Total Premiums] – [CFU_{χ} Category $_{(Fixed\ Assets)}$ Premiums]	$_{CFU1}$ Total Premiums = £10m $_{CFU2}$ Category $_{(other)}$ Premiums = £55m - £5m Total Premium = $\sum CFU_{1...n}$ Premiums	$_{CFU1}$ Total Premiums = £10m $_{CFU2}$ Category $_{(other)}$ Premiums = £50m Total Premium = £120m
2	139.3.2	This step maps the CFU's Insurance Premium Charges to AG/Product codes and then calculates the bases (% Allocation). AG/Product code mapping is obtained from the CFU Product Allocations input.	For each AG/Product (mapped from CFU's $_{(Result\ from\ step\ 1)}$): $AG/Product_{\chi}$ Base (% Allocation) = [$AG/Product_{\chi}$ Premium] / [Total Premium] * 100	$AG/Product_1$ Base (% Allocation) = £10m / £120m * 100	$AG/Product_1$ Base (% Allocation) = 8.33% $\sum AG/Product_{1...n}$ Base (% Allocation) = 100%

Bases using Revenue and Volumes Methodologies

Details for the bases are included in: Section 5.2: Bases using revenue and volumes methodologies

LICENCEFEE-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	148.3A.1	This step maps LoB revenue to relevant PG's, summarizes relevant revenue by PG, and then calculates the % Allocation (Base) for each relevant PG compared to total relevant revenue. Data is obtained from the LoB Revenue split and Mapping File for LICENCEFEE Base.	For each relevant PG: $PG\chi$ % Allocation (Base) = $\sum PG\chi$ Relevant Revenue / Total Relevant Revenue	PG_1 % Allocation (Base) = £70m / £100m * 100	PG_1 % Allocation (Base) = 70% $\sum PG_1...n$ % Allocation (Base) = 100%

Bases using Service Level Guarantee Methodologies

Details for the bases are included in: Section 5.2: Bases using service level guarantee methodologies

SLGALL-Q

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	226.3F.1	This step summarizes SLG Revenue by Market split by Internal and External. SLG Revenue data is obtained from the SLG Revenues feeder input.	For each relevant market: • $Market_{\chi}$ SLG Revenue = Summarize SLG Revenue by Market split by Internal and External	See example results	SLG Revenue for: Ethernet $_{(External)}$ = 170 Ethernet $_{(Internal)}$ = 130 WLA $_{(External)}$ = 290 WLA $_{(Internal)}$ = 210 WLR $_{(External)}$ = 105 WLR $_{(Internal)}$ = 95 Total SLG Revenue = 1,000
2	226.3F.2	This step calculates WLA PG Allocation Amount split by Internal and External.	For both WLA market splits (Internal and External): • WLA_{χ} PG Allocation = Filter SLG Revenue for WLA split by Internal and External from step 1 results	WLA $_{(External)}$ PG Allocation = Filter WLA market from step 1 results	WLA $_{(External)}$ PG Allocation = 290
3	226.3F.3	This step calculates the Compensation Payments % for Ethernet and WLR markets split by Repair and Provision. Data is obtained from the SLG Compensation Payments data.	For each relevant market split: • $Market_{\chi}$ Compensation Payments % = $Market_{\chi}$ SLG Compensation Payments split by Repair and Provision / Total $Market_{\chi}$ SLG Compensation Payments) * 100	Market $_{(WLR-Provision-External)}$ Compensation Payments % = 50 / 80 * 100	Market $_{(WLR-Provision-External)}$ Compensation Payments % = 62.5%
4	226.3F.4	This step calculates the WLR Components Revenue % split by Internal and External. Data is obtained from the PxV output data.	For both WLR market splits (Repair and Provision): • WLR_{χ} Components Revenue % split = WLR_{χ} Components Revenue (volume * price) split by Internal and External / Total Components Revenue * 100	WLR $_{(Provision-External)}$ Components Revenue % = 4,000 / 20,000 * 100	WLR $_{(Provision-External)}$ Components Revenue % = 20%
5	226.3F.5	This step calculates the Ethernet PG Allocation amount.	For each relevant market split: • Ethernet $_{\chi}$ PG Allocation = Ethernet SLG Revenue split by Internal and External split $_{(result\ from\ step\ 1)}$ * Compensation Payment % split by Repair and Provision $_{(result\ from\ step\ 3)}$	Ethernet $_{(Provision-External)}$ PG Allocation = 170 * 62.5%	Ethernet $_{(Provision-External)}$ PG Allocation = 106.25
6	226.3F.6	This step calculates the WLR PG Allocation amount.	For each relevant market split: • WLR_{χ} PG Allocation = Total WLR SLG Revenue $_{(result\ from\ step\ 1)}$ * Compensation Payment % split by Repair and Provision $_{(result\ from\ step\ 3)}$ * WLR Component Revenue % split by Internal and External $_{(result\ from\ step\ 4)}$	WLR $_{(Provision-External)}$ PG Allocation = 200 * 62.5% * 20%	WLR $_{(Provision-External)}$ PG Allocation = 25
7	226.3F.7	This step allocates the PIA PG amount $_{(result\ from\ step\ 1)}$	N/A	N/A	N/A
8	226.3F.7	This step calculates the SLGALL Base Apportionment.	• Base Apportionment for $Market_{\chi}$ = PG Allocation Amount for market split by Repair and Provision and by Internal and External $_{(result\ from\ step\ 2,\ 5\ and\ 6)}$ / Total SLG Revenue $_{(result\ from\ step\ 1)}$ * 100	Base Apportionment for Market $_{(WLR-Provision-External)}$ = 25 / 1,000 * 100	Base Apportionment for Market $_{(WLR-Provision-External)}$ = 2.5%

5.3 Organisational Driven Bases

The values presented within the calculation step 'Worked Example' are notional and do not represent actual data.

Openreach

Details for the bases are included in: Section 5.3: Openreach.

OV-CE

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	222.3E.1	Calculates base percentage per PG	PG FTE Value / Total CE value	150 / 200	75%

OV-OR

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	222.3E.1	Calculates base percentage per PG multiplied by prior year allocation weighting	(PG FTE Value / Total FTE value) * weighting	(100/200) *.5	25%

Technology Units

The following Network and Digital bases are driven by specific methodologies. Details for the bases are included in: Section 5.3: Technology Units.

OV-DIG

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	229.3A.2	Calculate the Openreach allocation of Digital Central costs by calculating Openreach % of total Digital CFU costs. Map Openreach % to AG410. Do the same for Corporate Functions and map to AG118, and remainder to RoBT.	1. Openreach Digital CFU % of total Digital CFU %= Openreach Digital / Sum of Digital CFUs 2. Residual allocation = 1 – Openreach Digital CFU %	1. (£10m / £50m) / 100 2. 1 – 20%	1. AG410 = 20% 2. P008 = 80%

OV-NET

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	229.3C.1	Calculates the FTE for each CFU and allocates IT costs to entity codes according to this.	Apportionment of IT costs to entity code = Proportion of FTE in CFUs assigned to entity code /Total FTE across all CFUs Calculation repeated for all entity codes	Proportion of FTE aligned to CFU 1 assigned to AG code 1 = FTE assigned to LON1/ Total FTE = 30/150 = 0.2 Proportion of FTE aligned to CFU 2 assigned to AG code 1 = FTE assigned to CFU 1/ Total FTE = 7.5/150 = 0.05 Total apportionment of IT costs to AG Code 1 for CFU 1 =0.2 + 0.05 = 0.25 (or 25%)	Total apportionment of IT costs to AG Code 1 = 0.25 (or 25%) Total assigned to other AG codes = 75%
2	229.3A.4	Calculates the total Engineering Infrastructure Plan and Build (EIPB) costs. It uses other external model inputs to drive the allocations to specific treatments and entities.	Proportion of FTE allocated per treatment code = FTE allocated to treatment code/ Total FTE Apportionment of EIPB costs to AG code = Proportion of FTE allocated per treatment code x Pre-calculated Base percentage* Calculation repeated for all entity codes[9,10]	Proportion of allocated to Treatment code 1 = FTE allocated to AG1 / Total FTE = 200/1600 = 0.125 = 12.5% Pre-calculated Base percentage = 5%Apportionment of EIPB costs to AG code = 12.5% x 5% = 0.125 x 0.05 = 0.00625 = 0.625%	Apportionment of EIPB costs to AG code = 0.625% Apportionment percentages for other AG codes for EIPB costs add up to 99.375%
3	229.3D.1	Calculates Network Central function cost as a % of total OV-NET costs, and then applies the Openreach FTE to calculate Openreach allocation. Do the same for Corporate Functions, sending to AG118, with remainder going to residual.	1. Network Central Function Costs %= Network Central Function Cost / Total OV-NET Costs 2. Openreach allocation = Network Central Function Costs % (Step 1) * OR FTE % 3. Residual allocation = (Network Central Function Costs % (Step 1) * (1 – OR FTE)	1. £60m / £600m= 10% 2. 10% * 30% = 3% 3. 10% * (1 – 30%) = 7%	AG410 = 3% P008= 7%
4	229.3D.2	Calculate the allocations for Network Infrastructure cost allocations as a % of total OV-NET Costs. Split the costs into 4 categories and apply allocations to each accordingly.	1. Network Infrastructure Costs % = Network Infrastructure Cost / Total OV-NET Costs 2. Labour % = Labour Cost / Network Infrastructure Costs Repeat for 3rd Party, IT Costs and Other cost categories 3. Labour % * EPIB Apportionments[12] (Step 2) IT% * FTE for each CFU (Step 1) 3rd Party % * Network Maintenance and Management allocations (calculated in PDTSCNM). Other % * 100% to AG119. 4. Multiply results from Step 3 by Network Infrastructure Costs % Note- 'Other' includes some mobile license costs allocated through AG119- these are immaterial at a market level.	1. £540m / £600m= 90% 2. £100/ £540m= 18,5% 3. 5% * 0.625% (Step 2) Repeat for all other AG codes and for other cost categories. 4. 0.11% * 90%= = 0.099%	AG401= 0.099%

[9] Pre-calculated Base Percentages are associated with the following Bases/Treatment: 21CN, AG102 (Static -100%), AG118 (Static -100%), P008 (Static -100%), PDTIPNCO, PDTMSAN, PDTPANDA, PDTTPWC, PG952C, SDH, System X/AXE 10[13] (PDTSYSXD, PDTLYX)
[10] Estimating the Base Percentage for System X/AXE 10 has the additional step of multiplying the pre-calculated base percentages for PDTSYSXD, PDTLYX with their proportion of total depreciation estimates retrieved from LoPList for LDX and LYX CoW as demonstrated in SOFTCAP-K4, SOFTCAP-N4

Group Functions

BT Group costs are made up of a number of central functions that provide various services for BT as a whole. Details for the bases are included in: Section 5.3: Group.

OV-GBS

#	Container Ref	Calculation	Worked Example	Worked Example	Example Results
1	30.3.2	Calculates % of Revenue allocated to Openreach products.	Openreach Revenue for the product / Total Openreach Revenue Base	£100/ £500	20%
2	30.3.3	Calculates % of Revenue allocated to Wholesale products. The total wholesale external revenue base is calculated excluding interconnect and multiplied by % Full Time Equivalent that sit in wholesale non-interconnect.	Wholesale Revenue for the product /Total Wholesale revenue base (excluding Interconnect) * % Full Time Equivalent that sit in wholesale non-interconnect	£20/£200*80%	8%
3	30.3.1	Calculates % of Recharge allocated to each CFU.	Total Recharge for the product / Total Recharge for all products	30/100	30%
4	30.3.4	Calculates weighed % to allocate to each product within a CFU. This has been weighed considering revenue %, recharge % and general assumptions.	% of Openreach/Wholesale Allocated for the product * Recharge Base % Allocation for the CFU	20%*30%	6%
5	30.3.5	Consolidates apportioned value for each product.	Sum of all weighed % allocations for each product across all CFUs	5% + 10% +8% + ... +10%	70%
6	30.3.6	Consolidates apportioned value adjusted to accommodate rounding errors.	Rounding %= 100% - Total consolidated base % Adjusted apportioned value = Consolidated Base % + Rounding %	100% - 90% = 70% + 10%	10%=80%
7	30.3.7	Adjusts apportioned value for P008 (RoBT). In order to close some Selling, General and Administrative Expenses PGs, the apportioned % of Group Billing & Revenue Assurance costs for PG506N, PG512A, PG609N and PG586N are attributed to P008.	PG506N Apportioned Value + PG512A Apportioned Value + PG609N Apportioned Value + PG586N Apportioned Value	25% + 20% + 30% + 5%	80%

Supply Chain

Details for the bases are included in: Section 5.3: Supply Chain.

OV-SPLY

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	52.3.1	Calculates % supply chain recharge per CFU.	CFU 1 %= [Supply chain cost CFU 1]/ [Total supply chain recharge] x 100 CFU 2 %= [Supply chain cost CFU 2]/ [Total supply chain recharge] x 100 ... CFU X %= [Supply chain cost CFU X]/ [Total supply chain recharge] x 100	CFU 1 = 40/100 x 100 CFU 2 = 60/100 x 100	CFU 1 = 40% CFU 2 = 60%

5.4 Activity Groups

The values presented within the calculation step 'Worked Example' are notional and do not represent actual data.

Activity Groups using Property and Insurance Methodologies

Details for the AGs are included in: Section 5.4: Activity Groups using property and insurance methodologies.

AG170

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1 - 4	See ACCOMM1-Q.	Steps 1 - 4 calculate the total adjusted recharges per CFU, Owner and Office/ Specialised accommodation combination. Steps 1 - 4 are identical to that of ACCOMM1-Q.	See ACCOMM1-Q.	See ACCOMM1-Q.	Total BT-owned Specialised Technology Recharge = 10,000 BT-owned Specialised Total Recharge = 64,000 AG170 Allocation = 32%
5	211.3.1	Steps 5 - 17 calculates allocation for Openreach Specialised Accommodation. This step calculates the proportion of Openreach accommodation recharges from Group Property, split by equipment and area. Equipment/Area types: MDF, CC, LLU and Other	For each equipment type: • $Equipment_{\chi}$ Total Recharge = $Equipment_{\chi}$ Recharge + Vacant Space Recharge * $Equipment_{\chi}$ Vacant Space % • $Equipment_{\chi}$ % = $Equipment_{\chi}$ Total Recharge / Σ $Equipment_{1...n}$ Total Recharge	MDF Total Recharge = 1,000 + 500 * 50% MDF % = 1,250 / 2,500	MDF % = 50% Σ $Equipment_{1...n}$ % = 100%
6 - 10	See PDTCJF-Q.	Steps 5 - 17 calculates allocation for Openreach Specialised Accommodation. This step calculates the fibre length ratio between core and backhaul fibre. This is identical to steps 1 - 6 of PDTCJF-Q. Note: Associated PGs are PG350N (Core) and PG170 (Backhaul).	See PDTCJF-Q.	See PDTCJF-Q.	Core fibre allocation (PG350N) = 30% Backhaul fibre allocation (PG170B) = 70%
11 - 15	See PDTLFSC-Q.	Steps 5 - 17 calculates allocation for Openreach Specialised Accommodation. This step calculates the allocation ratio for local fibre spine cable. This is identical to steps 1 - 5 of PDTLFSC-Q. Note: Associated PGs are PG111C (Access Fibre Spine), PG950C (GEA Access Fibre Spine), PG948C (Access Fibre Spine NGA - FTTP)	See PDTLFSC-Q.	See PDTLFSC-Q.	Access Fibre Spine allocation (PG111C) = 50% GEA Access Fibre Spine allocation (PG950C) = 10% Access Fibre Spine NGA - FTTP allocation (PG948C) = 40%
16	211.3.2	Steps 5 - 17 calculates allocation for Openreach Specialised Accommodation. For Cable Chambers (CC) only, this step calculates an apportionment percentage across Network types Copper, Backhaul Fibre and Access Fibre weighted by Mean Gross Replacement Cost (GRC). Note: The Copper PG is PG117C.	$Allocation_{\gamma}$ Mean GRC = $Network_{\chi}$ Mean GRC * $Allocation_{\gamma}$ %(result from step 10, step 15 or other) *Note: Allocation % for Copper is 100%.* $Allocation_{\gamma}$ Apportionment Percentage = $Allocation_{\gamma}$ Mean GRC / Σ $Network_{1...n}$ Mean GRC	Core Fibre Mean GRC = 20,000 * 30% Core Fibre Apportionment Percentage = 6,000 / 100,000 Access Fibre Spine Mean GRC = 10,000 * 50% Access Fibre Spine Apportionment Percentage = 5,000 / 100,000	Core Fibre Apportionment Percentage (PG350N) = 6% Access Fibre Spine Apportionment Percentage (PG111C) = 5% Σ $Allocation_{1...n}$ %= 100%
17	211.3.3	Steps 5 - 17 calculates allocation for Openreach Specialised Accommodation. This step takes the Openreach accommodation recharges proportion by equipment from step 2 and assigns them to PGs, and for Cable Chambers only apportions this proportion by the apportionment percentage. Note: Non-CC equipment PGs are PG217E (MDF), PG132B (LLU) and AG407 (Other).	For each non-CC equipment type: • OR PG_{χ} % = $Equipment_{\chi}$ %(Result from Step 5) . For the Cable Chambers equipment type: • OR PG_{γ} % = Cable Chambers %(Result from Step 5) * $Allocation_{\gamma}$ Apportionment Percentage(result from step 16)	OR PG217E = 50% OR PG111C = 30% * 5%	OR PG217E = 50% OR PG111C = 1.5%
18 - 28	See PDTLYX-Q.	Steps 18 - 62 calculates allocation for Technology Specialised Accommodation. This step calculates the assumption factor applicable for specialised AXE10 equipment.	See PDTLYX-Q.	See PDTLYX-Q.	AXE10 Assumption Factor = 15%
29 - 42	See PDTSYSXD-Q.	Steps 18 - 62 calculates allocation for Technology Specialised Accommodation. This step calculates the assumption factor for System X equipment.	See PDTSYSXD-Q.	See PDTSYSXD-Q.	System X Assumption Factor = 10%
43	24E.4.1	Steps 18 - 62 calculates allocation for Technology Specialised Accommodation. This step calculates the assumption factors for 21CN specialised equipment from CoWs MSAN, FMSAN, ETHER, METRO, WDM and INODE. This is weighted on area, depreciation and product type.	For each 21CN CoW: • 21CN CoW_{χ} Area Weighting = 21CN CoW_{χ} Area / Σ 21CN $CoW_{1...n}$ Area • For each Specialised Equipment: • CoW_{χ} $Equipment_{\gamma}$ Type Weighting = $Equipment_{\gamma}$ Network Depn / Σ CoW_{χ} $Equipment_{1...n}$ Network Depn • CoW_{χ} $Equipment_{\gamma}$ Area Weighting = CoW_{χ} $Equipment_{\gamma}$ Type Weighting * 21CN CoW_{χ} Area Weighting • 21CN CoW_{χ} $Equipment_{\gamma}$ Assumption Factor = CoW_{χ} $Equipment_{\gamma}$ Area Weighting / Σ $CoW_{1...n}$ $Equipment_{1...n}$ Area Weighting	21CN METRO Area Weighting = 10,000 / 50,000 For each Specialised Equipment: METRO $Equipment_1$ Type Weighting = 1,000 / 5,000 METRO $Equipment_1$ Area Weighting = 20% * 20% 21CN METRO $Equipment_1$ Assumption Factor = 4% / 80%	21CN METRO $Equipment_1$ Assumption Factor = 5% Σ 21CN CoW_{χ} $Equipment_{1...n}$ Assumption Factor = 100%
44 - 48	See PDTPANDA-Q.	Steps 18 - 62 calculates allocation for Technology Specialised Accommodation. This step calculates the assumption factors for Back-Up Power and Specialised Accommodation Equipment. This is identical to steps 1 - 4 for PDTPANDA-Q.	See PDTPANDA-Q.	See PDTPANDA-Q.	Back-Up Power and Specialised Accommodation $Equipment_1$ Assumption Factor = 10% Σ Back-Up Power and Specialised Accommodation $Equipment_{1...n}$ Assumption Factor = 100%

49	See CW609.	Steps 18 - 62 calculates allocation for Technology Specialised Accommodation. This step calculates the volume of specialised Technology equipment BES Circuits / EAD Boxes. This is identical to steps 1 - 3 of CW609 or CO447.	See CW609.	See CW609.	EAD Boxes Volumes = 10 boxes
50	44.3.1	Steps 18 - 62 calculates allocation for Technology Specialised Accommodation. This step calculates the initial Area Allocation by PG for Technology Specialised Accommodation. In general, inputs of volumes of specialised equipment and area per volume are multiplied by appropriate assumptions (e.g. a "walk around factor", or percentage split to specific PGs) to obtain a floor space allocation for each type of specialised equipment (and associated PG).	For each type of specialised Technology equipment: • PG_{χ} $Equipment_{\gamma}$ Area Allocation = $Equipment_{\gamma}$ $Volume_{(Result\ from\ Step\ 59\ or\ other)}$ * $Equipment_{\gamma}$ Area per Volume * $Assumption_{\gamma}$ $Factor_{(Result\ from\ Step\ 28,\ Step\ 42,\ Step\ 52,\ Step\ 53,\ Step\ 58\ or\ other)}$ For each PG: • Initial PG_{χ} Area Allocation = Σ PG_{χ} $Equipment_{1...n}$ Area Allocation	Technology PG127A $Equipment_1$ Area Allocation = 50 * 0.5m^2 * 0.8 Initial Technology PG127A Area Allocation = 20m^2 + other specialised equipment area allocations for Technology PG127A i.e. 80m^2	Initial Technology PG127A Area Allocation = 100m^2
51	44.3.2	Steps 18 - 62 calculates allocation for Technology Specialised Accommodation. This step calculates the allocation for BT-owned Technology Specialised Accommodation.	For each specialised equipment PG in BT-owned Technology Specialised Accommodation: • BT-owned Unallocated Ratio = (Total Specialised BT-owned area - Σ Initial $PG_{1...n}$ Area $Allocation_{(Result\ from\ Step\ 60)}$) / Σ Initial $PG_{1...n}$ Area $Allocation_{(Result\ from\ Step\ 60)}$ • PG_{χ} BT-owned area = Initial PG_{χ} Area $Allocation_{(Result\ from\ Step\ 60)}$ + Initial PG_{χ} Area $Allocation_{(Result\ from\ Step\ 60)}$ * BT-owned Unallocated Ratio • BT-owned Technology PG_{χ} % = PG_{χ} BT-owned area / Σ $PG_{1...n}$ BT-owned area	BT-owned Unallocated Ratio = (100,000m^2 - 10,000m^2) / 10,000m^2 Technology PG127A BT-owned area = 5m^2 + 5m^2 * 9 BT-owned Technology PG127A % = 50m^2 / 100,000m^2	Technology PG127A BT-owned area = 50m^2 BT-owned Technology PG127A = 0.05% Σ BT-owned Technology $PG_{1...n}$ % = 100%
52	44.3.3	Steps 18 - 62 calculates allocation for Technology Specialised Accommodation. This step calculated the allocation for Telereal Technology Specialised Accommodation.	For each specialised equipment PG: • General Unallocated Ratio = (Total Specialised area - Σ Initial $PG_{1...n}$ Area $Allocation_{(Result\ from\ Step\ 60)}$) / Σ Initial $PG_{1...n}$ Area $Allocation_{(Result\ from\ Step\ 60)}$ • PG_{χ} area = Initial PG_{χ} Area $Allocation_{(Result\ from\ Step\ 60)}$ + Initial PG_{χ} Area $Allocation_{(Result\ from\ Step\ 60)}$ * General Unallocated Ratio • Telereal PG_{χ} area = PG_{χ} area - PG_{χ} BT-owned $area_{(Result\ from\ Step\ 61)}$ • Telereal Technology PG_{χ} % = Telereal PG_{χ} area / Σ Telereal $PG_{1...n}$ area	General Unallocated Ratio = (2,000,000m^2 - 800,000m^2) / 800,000m^2 Technology PG127A area = 100m^2 + 100m^2 * 1.5 Telereal Technology PG127A area = 250m^2 - 50m^2 Telereal Technology PG127A % = 200m^2 / 400,000m^2	Telereal Technology PG127A % = 0.5% Σ Telereal Technology $PG_{1...n}$ % = 100%
53	211.8.5	This step calculates the onward allocation of AG170 Specialised BT-owned accommodation based on CFU. The CFU allocation can be found in the table below. (i,e, Consumer recharges are 100% allocated to P008 RoBT)	CFU_{χ} $Destination_{\gamma}$ Cost = CFU_{χ} BT-owned Specialised $Recharge_{(result\ from\ step\ 4)}$ * CFU_{χ} Rule $Allocation_{(result\ from\ Step\ 17,\ from\ step\ 62\ or\ from\ table)}$ $Destination_{\gamma}$ Cost = Σ $CFU_{1...n}$ $Destination_{\gamma}$ Cost $Destination_{\gamma}$ Allocation % = $Destination_{\gamma}$ Cost / Σ $Destination_{1...n}$ Cost Allocation	Technology PG127A Cost = 10,000 * 0.5% OR PG217E Cost = 15,000 * 50% PG127A Cost = 50 + other CFU costs i.e. 150 PG217E Cost = 7.500 + other CFU costs i.e. 50 Technology PG127A Allocation % = 200 / 50,000 OR PG217E Allocation % = 7,550 / 50,000	PG127A Allocation % = 0.4% PG217E Allocation % = 15.1% Σ $Destination_{1...n}$ Allocation % = 100%

AG171

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1 - 62	See AG170.	Steps 1 - 4 calculate the total adjusted recharges per CFU, Owner and Office/ Specialised accommodation combination. Steps 5 - 17 calculates allocation for Openreach Specialised Accommodation. Steps 18 - 62 calculates allocation for Technology Specialised Accommodation. These are identical to that of AG170.	See AG170.	See AG170.	Total Telereal Specialised OR Recharge = 50,000
63	211.8.5	This step calculates the onward allocation of AG171 Specialised Telereal accommodation based on CFU. The CFU allocation can be found in the table below. (i,e, Consumer recharges are 100% allocated to P008 RoBT).	CFU_{χ} $Destination_{\gamma}$ Cost = CFU_{χ} Telereal Specialised $Recharge_{(result\ from\ step\ 4)}$ * CFU_{χ} Rule $Allocation_{(result\ from\ Step\ 17,\ from\ step\ 62\ or\ from\ table)}$ $Destination_{\gamma}$ Cost = $\chi CFU_{1...n}$ $Destination_{\gamma}$ Cost $Destination_{\gamma}$ Allocation % = $Destination_{\gamma}$ Cost / ? $Destination_{1...n}$ Cost Allocation	OR PG217E Cost = 50,000 * 10% PG217E Cost = 5,000 + other CFU costs i.e. 5,000 OR PG217E Allocation % = 10,000 / 100,000	PG217E Allocation % = 10% ? $Destination_{1...n}$ Allocation % = 100%

AG172

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1 - 4	See ACCOM M1-Q.	Steps 1 - 4 calculate the total adjusted recharges per CFU, Owner and Office/ Specialised accommodation combination. Steps 1 - 4 are identical to that of ACCOMM1-Q.	See ACCOMM1-Q.	See ACCOMM1-Q.	Total BT-owned Office Group Recharge = 5,000 BT-owned Office Total Recharge = 25,000 AG172 Allocation = 20%
5	211.8.5	This step calculates the onward allocation of AG172 BT-owned office accommodation based on CFU. The CFU allocation can be found in the table below. (i,e, Consumer recharges are 100% allocated to P008 RoBT)	CFU_{χ} $Destination_{\gamma}$ Cost = CFU_{χ} BT-owned Office $Recharge_{(result\ from\ step\ 4)}$ * CFU_{χ} Rule $Allocation_{(from\ table)}$ $Destination_{\gamma}$ Cost = Σ $CFU_{1...n}$ $Destination_{\gamma}$ Cost $Destination_{\gamma}$ Allocation % = $Destination_{\gamma}$ Cost / Σ $Destination_{1...n}$ Cost Allocation	Group Cost = 5,000 * 100% AG118 Cost = 5,000 + other CFU costs i.e. 1,000 AG118 Allocation % = 6,000 / 10,000	AG118 Allocation % = 60% Σ $Destination_{1...n}$ Allocation % = 100%

AG173

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1 - 4	See ACCOM M1-Q.	Steps 1 - 4 calculate the total adjusted recharges per CFU, Owner and Office/ Specialised accommodation combination. Steps 1 - 4 are identical to that of ACCOMM1-Q.	See ACCOMM1-Q.	See ACCOMM1-Q.	Total Telereal Office Openreach Recharge = 50,000 Telereal Office Total Recharge = 500,000 AG173 Allocation = 40%
5	211.8.5	This step calculates the onward allocation of AG173 Telereal office accommodation based on CFU. The CFU allocation can be found in the table below. (i,e, Consumer recharges are 100% allocated to P008 RoBT)	CFU_{χ} $Destination_{\gamma}$ Cost = CFU_{χ} Telereal Office $Recharge_{(result\ from\ step\ 4)}$ * CFU_{χ} Rule $Allocation_{(from\ table)}$ $Destination_{\gamma}$ Cost = Σ $CFU_{1...n}$ $Destination_{\gamma}$ Cost $Destination_{\gamma}$ Allocation % = $Destination_{\gamma}$ Cost / Σ $Destination_{1...n}$ Cost Allocation	OR Cost = 50,000 * 100% AG401 Cost = 50,000 + other CFU costs i.e. 1,000 AG401 Allocation % = 51,000 / 52,000	AG401 Allocation % = 98.1%

Activity Groups using Other Methodologies

Details for the AGs are included in: Section 5.4: Activity Groups using other methodologies.

AG101

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	236.3.2	This base is calculated based on the proportion of costs allocated to each CFU.	For each CFU: • Base Percentage = Total Costs $_{per\ CFU}$ / Total costs	For each CFU: $Base_1$ = 50/ 100 $Base_2$ = 40/ 100 $Base_3$ = 10/ 100	 $Base_1$ = 50% $Base_2$ = 40% $Base_3$ = 10%

AG102

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	GRETA2: 2.3.2 L101 AG Driver Mapping	Driver logic: • Summary Type is 'Fixed Assets' excluding ARA Parent Node 'Investments in Subsidiaries'. • Core Assets with no CoW are included in the driver logic. • Core Assets with a CoW are included with the exception of the following sectors: Access: Copper; Access: Duct; Access: Fibre & Rad; Accommodation Plant (Landlord); Buildings; Core Transmission: Cable & Other; Core Transmission: Duct; Grant Funded Assets; Land; Motor Transport; Office Machines; Repayment Works. Costs and MCE in this AG are apportioned in proportion to the allocation of costs and MCE that satisfy the driver logic criteria.	N/A	N/A	N/A

AG113

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	GRETA2: 2.3.2 L101 AG Driver Mapping	Driver logic: • Core Split is 'Core'; and • Transaction Type is 'Revenue Costs in Operating Profit'; Or • Core Split is 'Core'; and • Transaction Type is 'Capital Spend'; and • Assets have a CoW Costs and MCE in this AG are apportioned in proportion to the allocation of costs and MCE that satisfy the driver logic criteria.	N/A	N/A	N/A

AG415

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	236.3.1 AG415 base	This base is calculated based on the proportion of costs allocated to each CFU.	For each CFU: • Base Percentage = Total Costs $_{per\ CFU}$ / Total costs	For each CFU: $Base_1$ = 50/ 100 $Base_2$ = 40/ 100 $Base_3$ = 10/ 100	 $Base_1$ = 50% $Base_2$ = 40% $Base_3$ = 10%

Activity Groups using Pay Methodologies

Details for the AGs are included in: Section 5.4: Activity Groups using pay methodologies.

Factorised pay methodologies

AG116

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	GRETA2: 2.3.2 L101 AG Driver Mapping	Driver logic: • Summary Type is 'Current Pay'; or • Summary Type is 'Fixed Assets'; and • Finance Type is 'Pay' The following attributes are assigned to costs and MCE that satisfy the driver logic criteria, based on CFU: • Openreach • Enterprise • Global • Consumer • Technology • Other (for CFUs not separately listed)	N/A	N/A	N/A
2	GRETA2: 2.3.8 Factorised Pay Calculation	This step calculates the CFU factor, which is the average pay cost per FTE for BT divided by the average pay cost per FTE by CFU. CFU is as per the attribute definition in step 1.	Total relevant pay costs = • Summary Type is 'Current Pay'; or • Summary Type is 'Fixed Assets'; and • Finance Type is 'Pay' CFU relevant pay costs = • Total relevant pay costs summarised by CFU (CFU grouping as defined in step 1) Total average cost per FTE = • Total relevant pay costs / Total FTEs CFU average cost per FTE = • CFU relevant pay costs / Total FTEs per CFU CFU factor = • Total average cost per FTE / CFU average cost per FTE	Total relevant pay costs = 5,000m CFU relevant pay costs = 2,000m Total average cost per FTE = 5,000m / 94,340 = 53,000 CFU average cost per FTE = 2,000m / 35,714 = 56,000	CFU factor = 53,000 / 56,000 = 0.946429
3	N/A	Costs and MCE in this AG are allocated in proportion to the existing allocation of factorised relevant pay costs, which is calculated in CostPerform.	Factorised relevant pay costs = CFU relevant pay costs (step 1) * CFU factor (step 2)	Factorised relevant pay costs = 2,000m * 0.946429	Factorised relevant pay costs = 1,893m

Other Pay Methodologies

The following data source and calculation steps apply to AG401, AG402 and AG407:

Data Sources	General ledger				
Calculation Steps	**#**	**Summary**	**Calculation**	**Worked Example**	**Example Results**
	1	Identifies and maps indirect costs to AG401 e.g. Maps Openreach support pay costs to AG401, to be attributed in the same way as the direct pay costs.	CostPerform identifies the destinations to which the direct costs have been apportioned and the relative percentages of apportionment to these destinations. CostPerform attributes the total cost held within AG401 to the same destinations and using the same percentage of apportionment that has been used for the directly attributed costs.	Example: BT Openreach indirect costs PGs to which direct costs have already been attributed Costs in each PG Attribution % of Openreach support costs to PGs PG: Technology 100 100/800 = 12.5% PG: Enterprise 200 200/800 = 25% PG: Other CFUs 500 500/800 = 62.5% Total 800 800/800 = 100%	12.5% of all Openreach pay support costs would be attributed to Technology PGs, 25% to Enterprise PGs and 62.5% to other CFU PGs.

AG401

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	GRETA2: 2.3.2 L101 AG Driver Mapping	Driver logic: • Summary Type is 'Fixed Assets' or 'Current Pay'; and • Finance Type is 'Pay'; and • Division is 'Openreach' Costs and MCE in this AG are apportioned in proportion to the allocation of costs and MCE that satisfy the driver logic criteria.	N/A	N/A	N/A

AG402

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	GRETA2: 2.3.2 L101 AG Driver Mapping	Driver logic: • Summary Type is 'Fixed Assets' or 'Current Pay'; and • Finance Type is 'Pay'; and • Division is 'Technology' Costs and MCE in this AG are apportioned in proportion to the allocation of costs and MCE that satisfy the driver logic criteria.	N/A	N/A	N/A

AG407

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	GRETA2: 2.3.2 L101 AG Driver Mapping	Driver logic: • Summary Type is 'Fixed Assets' or 'Current Pay'; and • Finance Type is 'Pay'; and • Division is 'Openreach'; and • PC aligns with Service and Network Delivery excluding journal postings Costs and MCE in this AG are apportioned in proportion to the allocation of costs and MCE that satisfy the driver logic criteria.	N/A	N/A	N/A

Activity Groups using Previously Allocated Costs (PAC) Methodologies

Details for the AGs are included in: Section 5.4: Activity Groups using PAC methodologies.

AG118

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	GRETA2: 2.3.2 L101 AG Driver Mapping	Driver Logic: OPEX • Summary Type is ‘Current Pay’ or 'Current Other’; and • Sectors excluding ‘Other Operating Income' and ‘Payments to Telecommunications Operators’ Costs in this AG are apportioned in proportion to the allocation of costs that satisfy the driver logic criteria. MCE • Summary Type is 'Fixed Assets', 'Current Assets' or 'Current Liabilities'; and • Sectors excluding 'Customer Relationships & Brands'; 'Deferred Tax Asset'; Derivative Financial Instruments; Goodwill; Intercompany Payables; Intercompany Receivables; Telecoms Licences & Other; Trade & Other Payables MCE in this AG is apportioned in proportion to the allocation of MCE that satisfies the driver logic criteria, multiplied by the AG WACC rate.	N/A	N/A	N/A

AG119

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	GRETA2: 2.3.2 L101 AG Driver Mapping	Driver Logic: OPEX • Summary Type is ‘Current Pay’ or 'Current Other’; and • Sectors excluding ‘Other Operating Income' and ‘Payments to Telecommunications Operators’; and • CFU is Technology Costs in this AG are apportioned in proportion to the allocation of costs that satisfy the driver logic criteria. MCE • Summary Type is 'Fixed Assets', 'Current Assets' or 'Current Liabilities'; and • Sectors excluding 'Customer Relationships & Brands'; 'Deferred Tax Asset'; Derivative Financial Instruments; Goodwill; Intercompany Payables; Intercompany Receivables; Telecoms Licences & Other; Trade & Other Payables; and • CFU is Technology MCE in this AG is apportioned in proportion to the allocation of MCE that satisfies the driver logic criteria, multiplied by the AG WACC rate.	N/A	N/A	N/A

AG410

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	GRETA2: 2.3.2 L101 AG Driver Mapping	Driver Logic: OPEX • Summary Type is ‘Current Pay’ or 'Current Other’; and • Sectors excluding ‘Other Operating Income' and ‘Payments to Telecommunications Operators’; and • CFU is Openreach Costs in this AG are apportioned in proportion to the allocation of costs that satisfy the driver logic criteria. MCE • Summary Type is 'Fixed Assets', 'Current Assets' or 'Current Liabilities'; and • Sectors excluding 'Customer Relationships & Brands'; 'Deferred Tax Asset'; Derivative Financial Instruments; Goodwill; Intercompany Payables; Intercompany Receivables; Telecoms Licences & Other; Trade & Other Payables; • CFU is Openreach MCE in this AG is apportioned in proportion to the allocation of MCE that satisfies the driver logic criteria, multiplied by the AG WACC rate.	N/A	N/A	N/A

5.5 Plant Groups

The values presented within the 'Worked Example' column are notional and do not represent actual data.

Plant Groups using Asset Metric Methodologies

Details for the PGs are included in: Section 5.5: Plant Groups using asset metric methodologies.

PG100D

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	18.4B.1	This step allocates the percentage per component (internal + external) based on the percentages set out by Ofcom in the 2021 WFTMR.	For each relevant component (internal + external): • Allocation percentage = Lead-in duct percentage set by Ofcom	Component (internal + external)$_1$= 9.35%	Component(internal + external)$_1$ = 9.35% $\sum$Component$_{1...n}$ = 100%
2	18.4B.1	This step calculates the split between internal and external components for each service type based on PIA volumes. This is then applied to the percentages provided by Ofcom to allocate to internal and external services.	For each service: • Internal component allocation % = Component allocation %$_{(result\ from\ step\ 1)}$ * Internal service volume / (Internal + External service volume) • External component allocation % = Component allocation %$_{(result\ from\ step\ 1)}$ * External service volume / (Internal + External service volume)	Internal component allocation %$_1$= 9.35% * (60,000/(60,000+300)) External component allocation %$_1$= 9.35% * (300/(60,000+300))	Internal component allocation %$_1$= 9.3% External component allocation %$_1$= 0.05% $\sum$Component$_{1...n}$ = 100%

PG101D

Please see PG100D for calculation steps.

PG102D

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	224.3L.1	This step calculates the allocation percentage per component based on unit cost per component as a proportion of total cost, weighted by volume. Openreach do not hold the information in order to split duct usage by Internal/External users by duct age, therefore for the purposes of allocating total infrastructure volumes are used. The proportion of each PIA Component (e.g. Spine Duct - single bore) that is allocated to External PIA services is determined by the external volumes on this service over the total infrastructure volumes.	For each relevant component: • Allocation percentage = (Volume of Component$_x$* Unit Cost of Component$_x$) / Total cost of selected components	Component$_1$= (50k * 3k) / 350m	Component$_1$= 42.85% $\sum$Component$_{1...n}$ = 100%

PG151B

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	212.3.1	This step splits out Survey and Installations costs from Tie Cable costs and expresses this as a percentage of the total programme cost by year.	Survey and Installations % = Survey and Installations Cost / Total Programme Cost	Survey and Installations % = £1.0m/ £3.3m	Survey and Installations % = 30%
2	212.3.2	This step calculates total capex for sub-programmes affected by mis-booked asset depreciation by year.	Mis-booked evoTAM Capex excl Stores = Total evoTAM Capex – Stores Capex (i.e. Tie Cables)	Mis-booked evoTAM Capex excl Stores = £150m - £10m	Affected evoTAM Capex excl Stores = £140m
3	212.3.3	This step estimates the depreciation for the capex values calculated in Step 2.	Estimated depreciation for mis-booked evoTAM Capex excl Stores = Affected evoTAM Capex excl Stores $^{(step\ 1)}$ * Survey and Installations % $^{(step\ 2)}$ / Asset Life	Estimated depreciation for mis-booked evoTAM Capex excl Stores = £140m * 30% / 18 years	Estimated Survey and Installations Depreciation = £2.3m
4	212.4C.1	This step adjusts the depreciation to a P06 equivalent to join to YTD depreciation values taken from the Fixed Asset Register	Estimated Survey and Installations Depreciation = £2.3m	Estimated Survey and Installations Depreciation = £2.3m / 12 * 6	Adjusted estimated Survey and Installations Depreciation = £1.15m
5	212.4C.2	This step joins YTD Depreciation for Policy Codes relevant to TAM and evoTAM to the estimated depreciation calculated in Step 3 to calculate the base allocations.	Base allocation (evoTAM) = (Depreciation for evoTAM + Estimated depreciation for mis-booked evoTAM) $^{(step\ 3)}$ / Total depreciation for TAM and evoTAM Base allocation (TAM) = Depreciation for TAM / Total depreciation for TAM and evoTAM	Base allocation (evoTAM) = £1.15m + £0.01m / £1.4m Base allocation (TAM) = £0.24m / £1.4m	Base allocation (evoTAM) = 83% Base allocation (TAM) = 17%

PG200P

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.3D.1	This step calculates apportionment to CZ325 and CZ326 components. Values for this calculation are obtained from Internal & External Volumes input	CZ325 = Poles Internal Volume / Poles Total Infrastructure Volumes CZ326 = 100% - PG200P Base for CZ325 Component	CZ325=100 / 150 CZ326 =100% - 67%	CZ325 = 67% CZ326 = 33%

PG201P

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.3D.1	This step calculates apportionment to CZ325 and CZ326 components. Values for this calculation are obtained from Internal & External Volumes input	CZ325 = Poles Internal Volume / Poles Total Infrastructure Volumes CZ326 = 100 - PG200P Base for CZ325 Component	CZ325=100 / 150 CZ326 =100 - 66.7	CZ325 = 66.7% CZ326 = 33.3%

PG300N

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	224.3L.1	This step calculates the allocation percentage per component based on unit cost per component as a proportion of total cost.	For each relevant component: • Allocation percentage = (Volume of $Component_{\chi}$ * Unit Cost of$Component_{\chi}$) / Total cost of selected components.	$Component_1$= (50k * 3k) / 350m	$Component_1$= 42.85% $\sum Component_{1...n}$ = 100%

PG303N

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	224.3L.1	This step calculates the allocation percentage per component based on unit cost per component as a proportion of total cost.	For each relevant component: • Allocation percentage = (Volume of $Component_{\chi}$ * Unit Cost of $Component_{\chi}$) / Total cost of selected components	$Component_1$= (50k * 3k) / 350m	$Component_1$= 42.85% $\sum Component_{1...n}$ = 100%

PG954C

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.3I.1	This step calculates the in year capex of FTTC and FTTP products.	FTTC service capex= [Capex FTTC $Product_1$] + [Capex FTTC $Product_{\chi}$] FTTP service capex= [Capex FTTP $Product_1$] + [Capex FTTP $Product_{\chi}$]	FTTC capex= 50 + 50 FTTP capex= 100 + 100	FTTC Capex= 100 FTTP Capex= 200
2	223.3I.1	This step calculates the allocation by dividing the total capex for each service by the total capex of all services.	CL954 (GEA Customer Site Installation FTTC) Allocation = [FTTC service $capex_{(Result\ from\ step\ 1)}$] / [Total capex]] CL963 (GEA Customer Site Installation FTTP) Allocation = [FTTP service $capex_{(Result\ from\ step\ 1)}$] / [Total capex]	CL954 (GEA Customer Site Installation FTTC) Allocation = 100 / 300 CL963 (GEA Customer Site Installation FTTP) Allocation = 200 / 300	CL954 (GEA Customer Site Installation FTTC) Allocation = 33% CL963 (GEA Customer Site Installation FTTP) Allocation = 67%

PG998A

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	64.3A.1 and 64.3A.3	Values for this calculation are obtained from BDUK Split and Base Inputs. See 'BDUK HCA adjustment with FTTC and FTTP split' steps 1 and 2.			

Plant Groups using Network Data Methodologies

Details for the PGs are included in: Section 5.5: Plant Groups using network data methodologies.

PG111C

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	017.3G.1	This step calculates the total bearer volumes by summing the number of single and double fibre per PG.	For each relevant PG: • PG_χ total bearer volumes = PG_χ single fibre bearers + PG_χ double fibre bearers	PG_1 total bearer volumes = 3,000 + 4,000	PG_1 total bearer volumes = 7,000
2	017.3G.2	This step calculates the total fibre volumes per PG by summing the number of single fibre bearers and two times the double fibre bearers.	For each relevant PG: • PG_χ total fibre volumes = PG_χ single fibre bearers + (2 * PG_χ double fibre bearers)	PG_1 total fibre volumes = 3,000 + (2 * 4,000)	PG_1 total fibre volumes = 11,000
3	017.3G.3	This step calculates the usage factor of Fibres as a proportion of Bearers.	For each relevant PG: • PG_χ fibre usage factor = PG_χ total fibre volumes$_{(Result\ from\ step\ 2)}$ / PG_χ total bearer volumes$_{(Result\ from\ step\ 1)}$	PG_1 fibre usage factor = 11,000 / 7,000	PG_1 fibre usage factor = 1.6
4	017.3G.4	This step calculates the adjusted bearer count using the number of bearers from CTCS and multiplying by the fibre usage proportion calculated in step 3.	For each relevant PG: • PG_χ adjusted bearer volumes = PG_χ CTCS bearer volumes * PG_χ fibre usage factor$_{(Result\ from\ step\ 3)}$	PG_1 adjusted bearer volumes = 5,000 * 1.6	PG_1 adjusted bearer volumes = 8,000
5	017.3G.5	This step replaces the factor for Fibres over bearers value with Static values for "2Mbit LE Fib", "34Mbit LE", "140Mbit LE" and "565Mbit LE" PGs	For each relevant PG: • New usage factor = Static value	New usage factor = 2	New usage factor = 2
6	017.3G.6	This step calculates the distribution allocation of fibre count. It takes the Number of Bearers from CTCS and multiplies by the new usage factor from step 5.	For each relevant PG: • PG_χ distribution allocation = PG_χ CTCS bearer volumes * New factor$_{(Result\ from\ step\ 5)}$	PG_1 distribution allocation = 5,000 * 2	PG_1 distribution allocation = 10,000
7	017.3G.7	This step converts CTCS circuit volumes to bearer equivalents.	For each relevant PG: • PG_χ CTCS circuits bearer equiv = (PG_χ CTCS circuit volumes / PG_χ circuits per bearer) - PGχ full capacity bearers	PG_1 CTCS Circuits Bearer Equiv = (9,000 / 8) -1125	PG_1 CTCS Circuits Bearer Equiv =1,000
8	017.3G.8	This step calculates the bearers with spare capacity by subtracting utilised bearers (Bearer Equivalent CTCS Circuits) from CTCS Bearers.	For each relevant PG: • PG_χ bearers with spare capacity = PG_χ CTCS bearer volumes - PG_χ CTCS circuits bearer equiv $_{(Result\ from\ Step\ 7)}$	PG_1 bearers with spare capacity = 5,000 - 1,000	PG_1 bearers with spare capacity = 4,000
9	017.3G.9	This step calculates the spare capacity factor for PGs by dividing Bearers with Spare Capacity by the number of utilised bearers.	For each relevant PG: • PG_χ Spare Capacity Factor = PG_χ bearers with spare capacity$_{(Result\ from\ step\ 8)}$ / PG_χ CTCS circuits bearer equiv$_{(Result\ from\ step\ 7)}$	PG_1 spare capacity factor = 4,000 / 1,000	PG_1 spare capacity factor = 4
10	017.3G.10	This step calculates the circuit volume (bearer equivalent) scaled capacity by multiplying bearer equivalent circuit volumes by spare capacity factor. This step only apples to products which have spare capacity.	For each relevant PG: • PG_χ circuit scaled capacity = PG_χCTCS circuits bearer equiv$_{(Result\ from\ Step\ 7)}$ * PG_χ spare capacity factor$_{(Result\ from\ Step\ 9)}$	PG_1 circuit scaled capacity = 1,000 * 4	PG_1 circuit scaled capacity = 4,000
11	017.3G.11	This step calculates the consumption of bearers. It calculates the circuit volumes for a PG as a proportion of total consumption of bearers.	For each relevant PG: • PG_χ total consumption of bearers = PG_χ circuit scaled capacity $_{(Result\ from\ step\ 10)}$ / Total circuit scaled capacity PGs are then mapped to components.	PG_1 total consumption of bearers = 4,000 / 20,000	PG_1 total consumption of bearers = 0.2
12	017.3G.12	This step calculates the number of fibres per component. It multiplies the number of fibres for spine and distribution allocation by the consumption of bearers factor.	For each relevant component: • $Component_\chi$ no. fibres = $Component_\chi$ total consumption of bearers$_{(Result\ from\ step\ 11)}$ * $Component_\chi$ total number of fibres	$Component_1$ no. fibres = 0.2 * 5,000	$Component_1$ no. fibres = 1,000
13	017.3G.12b	This step calculates the total number of fibres per component for EAD and BT Redcare Alarm Signalling	For each relevant component: • $Component_\chi$ no. fibres = $Component_\chi$ no. local ends * fibres per end	$Component_1$ no. fibres = 500 * 2	$Component_1$ no. fibres = 1,000
14	017.3G.13	This step calculates the allocation percentage for each component.	For each relevant component: • $Component_\chi$ allocation = $Component_\chi$ no. fibres$_{(Result\ from\ step\ 12)}$ / Total number of fibres	$Component_1$ = 1,000 / 2,000	$Component_1$ = 50% $\sum Component_{1...n}$ = 100%

PG170B

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	218.3B.8	This step calculates the total length in metres for different types of fibres (FTTC/FTTP) between exchanges, based on their location	For each route: • Interexchange Distance = ([Child Easting]-[Parent Easting])^2 + ([Child Northing]-[Parent Northing]) ^ 2) ^ 0.5	Interexchange Distance = ((5000 - 1000) ^ 2 + (5000 - 2000) ^ 2) ^ 0.5	Inter-exchange Distance = 5000
2	218.3B.8	This step applies a factor of 1.2 to the straight line distance between exchanges.	For each route: • Route Length = Inter-exchange Distance$_{(Result\ from\ step\ 1)}$ * 1.2	Route Length = 100 * 1.2	Route Length = 120
3	218.3B.9	This step summarises the total lengths by FTTC/FTTP and converts it into KM	For each of FTTC/FTTP: • Total Lengths of All Main Links = Total Lengths of All Main Links / 1000	Total Lengths of All Main Links = 1000m / 10000	Total Lengths of All Main Links = 1km
4	218.3B.6	This step calculates the share of total distance used by each component.	For each relevant component: • $Component_\chi$ allocation = $Component_\chi$ Total KMs$_{(Result\ from\ step\ 3)}$ / Total KMs per PG	$Component_1$ = 1,000 / 2,000	$Component_1$ = 50%

PG959C

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	017.3G.1	This step calculates the total bearer volumes by summing the number of single and double fibre per PG.	For each relevant PG: • PG_χ total bearer volumes = PG_χ single fibre bearers + PG_χ double fibre bearers	PG_1 total bearer volumes = 3,000 + 4,000	PG_1 total bearer volumes = 7,000
2	017.3G.2	This step calculates the total fibre volumes per PG by summing the number of single fibre bearers and two times the double fibre bearers.	For each relevant PG: • PG_χ total fibre volumes = PG_χ single fibre bearers + (2 * PG_χ double fibre bearers)	PG_1 total fibre volumes = 3,000 + (2 * 4,000)	PG_1 total fibre volumes = 11,000
3	017.3G.3	This step calculates the usage factor of Fibres as a proportion of Bearers.	For each relevant PG: • PG_χ fibre usage factor = PG_χ total fibre volumes$_{(\text{Result from step 2})}$ / PG_χ total bearer volumes$_{(\text{Result from step 1})}$	PG_1 fibre usage factor = 11,000 / 7,000	PG_1 fibre usage factor = 1.6
4	017.3G.4	This step calculates the adjusted bearer count using the number of bearers from CTCS and multiplying by the fibre proportion calculated in step 3.	For each relevant PG: • PG_χ adjusted bearer volumes = PG_χ CTCS bearer volumes * PG_χ Fibre proportion$_{(\text{Result from step 3})}$	PG_1 adjusted bearer volumes = 5,000 * 1.6	PG_1 adjusted bearer volumes = 8,000
5	017.3G.5	This step replaces the factor for Fibres over bearers value with Static values for "2Mbit LE Fib", "34Mbit LE", "140Mbit LE" and "565Mbit LE" PGs	For each relevant PG: • New usage factor = Static value	New usage factor = 2	New usage factor = 2
6	017.3G.6	This step calculates the distribution allocation of fibre count. It takes the Number of Bearers from CTCS and multiplies by the new usage factor from step 5.	For each relevant PG: • PG_χ distribution allocation = PG_χ CTCS bearer volumes * New factor$_{(\text{Result from step 5})}$	PG_1 distribution allocation = 5,000 * 2	PG_1 distribution allocation = 10,000
7	017.3G.7	This step converts CTCS circuit volumes to bearer equivalents.	For each relevant PG: • PG_χ CTCS circuits bearer equiv = (PG_χ CTCS circuit volumes / PG_χ circuits per bearer) + $PG\chi$ full capacity bearers	PG_1 CTCS Circuits Bearer Equiv = (2 / 2) + 68	PG_1 CTCS Circuits Bearer Equiv = 70
8	017.3G.8	This step calculates the bearers with spare capacity by subtracting utilised bearers (Bearer Equivalent CTCS Circuits) from CTCS Bearers.	For each relevant PG: • PG_χ bearers with spare capacity = PG_χ CTCS bearer volumes - PG_χ CTCS circuits bearer equiv $_{(\text{Result from Step 7})}$	PG_1 bearers with spare capacity = 5,000 - 1,000	PG_1 bearers with spare capacity = 4,000
9	017.3G.9	This step calculates the spare capacity factor for PGs by dividing Bearers with Spare Capacity by the number of utilised bearers.	For each relevant PG: • PG_χ Spare Capacity Factor = PG_χ bearers with spare capacity$_{(\text{Result from step 8})}$ / PG_χ CTCS circuits bearer equiv$_{(\text{Result from step 7})}$	PG_1 spare capacity factor = 4,000 / 1,000	PG_1 spare capacity factor = 4
10	017.3G.10	This step calculates the circuit volume (bearer equivalent) scaled capacity by multiplying bearer equivalent circuit volumes by spare capacity factor. This step only apples to products which have spare capacity.	For each relevant PG: • PG_χ circuit scaled capacity = PG_χCTCS circuits bearer equiv$_{(\text{Result from Step 7})}$ * PG_χ spare capacity factor$_{(\text{Result from Step 9})}$	PG_1 circuit scaled capacity = 1,000 * 4	PG_1 circuit scaled capacity = 4,000
11	017.3G.11	This step calculates the consumption of bearers. It calculates the circuit volumes for a PG as a proportion of total consumption of bearers.	For each relevant PG: • PG_χ total consumption of bearers = PG_χ circuit scaled capacity $_{(\text{Result from step 10})}$ / Total circuit scaled capacity PGs are then mapped to components.	PG_1 total consumption of bearers = 4,000 / 20,000	PG_1 total consumption of bearers = 0.2
12	017.3G.12	This step calculates the number of fibres per component. It multiplies the number of Fibres for Spine and Distribution Allocation by the Consumption of Bearers factor.	For each relevant component: • $Component_\chi$ no. fibres = $Component_\chi$ total consumption of bearers$_{(\text{Result from step 11})}$ * $Component_\chi$ total number of fibres$_{(\text{result from steps 4 \& 6})}$	$Component_1$ no. fibres = 0.2 * 5,000	$Component_1$ no. fibres = 1,000
12b	017.3G.12b	This step calculates the total number of fibres per component for EAD and BT Redcare Alarm Signalling. For the purposes of the allocation of Distribution Fibre we include a factor of two against EAD and Redcare services, to create an allocation based on cable volumes as the cost driver.	For each relevant component: • $Component_\chi$ no. fibres = $Component_\chi$ no. local ends * fibres per end	$Component_1$ no. fibres = 500 * 2	$Component_1$ no. fibres = 1,000
13	017.3G.13	This step calculates the allocation percentage for each component.	For each relevant component: • $Component_\chi$ allocation = $Component_\chi$ no. fibres$_{(\text{Result from step 12})}$ / Total number of fibres	$Component_1$ = 1,000 / 2,000	$Component_1$ = 50% $\sum Component_{1\ldots n}$ = 100%

Plant Groups using Other Miscellaneous Methodologies

Details for the PGs are included in: Section 5.5: Plant Groups using other miscellaneous methodologies.

PG140A

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	224.3H.1	Routing and records costs relating to Network Adjustments are provided by Openreach. We express these as a percentage of the total routing and records costs, which gives our allocation to Routing and Records Ancillaries (CZ333). The remaining allocation proportion is allocated to CL160.	• Routing and Records PI Ancillaries (CZ333) % = Routing and Records PI NA Costs / Total Routing and Records Costs * 100 • Routing and Records (CL160) % = 100% - Routing and Records PI Ancillaries (CZ333) %	Routing and Records PI Ancillaries (CZ333) % = £1m / £100m * 100 Routing and Records (CL160) % = 100 - £1m/ £100m * 100	Routing and Records PI Ancillaries (CZ333) % = 1% Routing and Records (CL160) % = 99%

PG952C

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.3F.1	This step calculates the total volume for each head end card type. Note this includes historic volumes. Values for this calculation are obtained from Headend data	Card A volume = [Card A – current year additions] + [Card A – prior years additions] Card B volume = [Card B – current year additions] + [Card B – prior years additions] Card C volume = [Card C – current year additions] + [Card C – prior years additions] Card D volume = [Card D – current year additions] + [Card D – prior years additions]	Card A volume = 8k+ 9k +3k Card B volume = 2k+ 2k +6k Card C volume = 2k+ 2k +2k Card D volume = 1k+ 1k +2k	Card A volume = 20k Card B volume = 10k Card C volume = 6k Card D volume = 4k
2	223.3F.2	This step maps card types to the FTTP/FTTC and calculates the total number of FTTP/ FTTC cards.	FTTP card volumes = [Card A volume] (Result from step 1) + [Card B volume] (Result from step 1) FTTC card volumes = [Card C volume] (Result from step 1) + [Card D volume] (Result from step 1)	FTTP card volumes = 20k + 10k FTTC card volumes = 6k + 4k	FTTP card volumes = 30k FTTC card volumes = 10k
3	223.3F.3	This step calculates the base allocation by dividing the card volume of each service type by the total card volume. The FTTP Cost is allocated to CL961 and the FTTC costs are allocated to CL952.	FTTP allocation = [FTTP total card volume (result from Step 2)] / [Total card volume (Sum of Step 2)] FTTC allocation = [FTTC total card volume (result from Step 2)] / [Total card volume (Sum of Step 2)]	FTTP allocation = 30k / 40k FTTC allocation = 10k / 40k	FTTC allocation= 75% FTTP allocation = 25%

Plant Groups using Revenue and Volumes Methodologies

Details for the PGs are included in: Section 5.5: Plant Groups using revenue and volumes methodologies.

PG003Y

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	228.3E.1	This step aggregates Ethernet Rental Volumes per service & product and then calculates Average Yearly Volumes. Volumes are obtained from Rental Volumes input.	For each relevant service & product: $Service_{\chi}$ Average Yearly Volumes = [Aggregate Month Volumes (YTD) for $Service_{\chi}$] / [Current Period]	$Service_1$ Average Yearly Volumes = 3,600 / 12	$Service_1$ Average Yearly Volumes = 300
2	228.3E.5	This step calculates the Volumes in Circuits for each service & product and then maps these values to components. Conversion of Local Ends to Circuits is obtained from Ends Per Circuit input. Service to Component mapping is obtained from Rental Services - Codes, Names, Markets and Component mappings input. Note: Only Services related to Access Fibre are mapped to Components for PG003Y and PG006Y. These components are Wholesale Extension Services (WES) (CO450), Backhaul Extension Services (BES) (CO447) and Ethernet Access Direct (EAD) (CW609).	For each relevant service & product: $Service_{\chi}$ Volumes in Circuits = [$Service_{\chi}$ Average Yearly Volumes $_{(Result\ from\ step\ 1)}$] / [Conversion of Local Ends to Circuits] For each access fibre component: $Component_{\chi}$ Volumes in Circuits = Mapped from [$Service_{\chi}$ Volumes in Circuits]	$Service_1$ Volumes in Circuits = 300 / 2 $Component_1$ Volumes in Circuits = mapped from 150	$Service_1$ Volumes in Circuits = 150 $Component_1$ Volumes in Circuits = 80 Total Components Volumes in Circuits = 400
3	228.3H	This step calculates the proportional allocation to Access Fibre Components' Volumes in Circuit, and then maps to PGs (PG003Y and PG006Y). Mapping is obtained from PG to Comp Mapping for Base Output.	For each access fibre component: $Component_{\chi}$ allocation % = [$Component_{\chi}$ Volumes in $Circuit_{(Result\ from\ step\ 2)}$] / [Total of all Components Volume in $Circuit_{(Result\ from\ step\ 2)}$] * 100 For each relevant PG (PG003Y and PG006Y): PG_{χ} & $Component_{\chi}$ allocation % = Mapped from [$Component_{\chi}$ allocation %]	PG_1 & $Component_1$ allocation % = 80 / 400 * 100	PG_1 & $Component_1$ allocation % = 20% $\sum PG_1$ & $Component_{1...n}$ allocation % = 100%

PG006Y

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	228.3E.1	This step aggregates Ethernet Rental Volumes per service & product and then calculates Average Yearly Volumes. Volumes are obtained from Rental Volumes input.	For each relevant service & product: • $Service_{\chi}$ Average Yearly Volumes = [Aggregate Month Volumes (YTD) for $Service_{\chi}$] / [Current Period]	$Service_1$ Average Yearly Volumes = 3,600 / 12	$Service_1$ Average Yearly Volumes = 300
2	228.3E.5	This step calculates the Volumes in Circuits for each service & product and then maps these values to components. Conversion of Local Ends to Circuits is obtained from Ends Per Circuit input. Service to Component mapping is obtained from Rental Services - Codes, Names, Markets and Component mappings input. Note: Only Services related to Access Fibre are mapped to Components for PG003Y and PG006Y. These components are Wholesale Extension Services (WES) (CO450), Backhaul Extension Services (BES) (CO447) and Ethernet Access Direct (EAD) (CW609).	For each relevant service & product: • $Service_{\chi}$ Volumes in Circuits = [$Service_{\chi}$ Average Yearly $Volumes_{(Result\ from\ step\ 1)}$] / [Conversion of Local Ends to Circuits] For each access fibre component: • $Component_{\chi}$ Volumes in Circuits = Mapped from [$Service_{\chi}$ Volumes in Circuits]	$Service_1$ Volumes in Circuits = 300 / 2 $Component_1$ Volumes in Circuits = mapped from 150	$Service_1$ Volumes in Circuits = 150 $Component_1$ Volumes in Circuits = 80 Total Components Volumes in Circuits = 400
3	228.3H	This step calculates the proportional allocation to Access Fibre Components' Volumes in Circuit, and then maps to PGs (PG003Y and PG006Y). Mapping is obtained from PG to Comp Mapping for Base Output.	For each access fibre component: • $Component_{\chi}$ allocation % = [$Component_{\chi}$ Volumes in Circuit $_{(Result\ from\ step\ 2)}$] / [Total of all Components Volume in $Circuit_{(Result\ from\ step\ 2)}$] * 100 For each relevant PG (PG003Y and PG006Y): • PG_{χ} & $Component_{\chi}$ allocation % = Mapped from [$Component_{\chi}$ allocation %]	PG_1 & $Component_1$ allocation % = 80 / 400 * 100	PG_1 & $Component_1$ allocation % = 20% $\sum PG_1$ & $Component_{1...n}$ allocation % = 100%

PG501B

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	226.3G.2	This step calculates the allocation of PG501B to the components based on the balance of each discount against the total	CP501 % = Equinox balance/total balance CP502 % = Other Balance/total balance CP503% = P112 balance/total balance	CP501 = 73/100 CP502 = 10/100 CP503 = 17/100	CP501 = 73% CP502 = 10% CP503 = 17%

5.6 Components

The values presented within the calculation step 'Worked Example' are notional and do not represent actual data.

Methodology Driven Components

Details for the Components are included in: Section 5.6: Methodology Driven Components

CE106

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	228.3I.1	This step calculates the average ECC Fee for the year. The ECC fixed fee is obtained from a Pricelist.	Step A • ECC Fee * Months = ECC fixed fee (£) * Number of Months at Price within FY Step B • ECC Fixed Fee - Weight Price (£) = Sum ECC Fee * Months $_{(Step A)}$ / Period	Step A ECC Fee * Months = £10 * 3 Step B ECC Fixed Fee - Weight Price (£) = 30 / 12	Step A ECC Fee * Months = 30 Step B ECC Fixed Fee - Weight Price (£) = £2.50
2	228.3I.2	This step calculates adjusted revenue. First it calculates ECC Fixed Fee Weight Price, using the ECC fee and period. This is then used to calculate the adjusted revenue, which represents the ECC connection cost per service.	For each relevant service: • Adjusted revenue = (ECC Fee $_{(Result from Step 1)}$ / Period) * Service$_{\chi}$ Volume	Service$_1$ = (£30 / 12) * 100	Service$_1$ = £250
3	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • Service$_{\chi}$ percentage allocation = Service$_{\chi}$ Usage Factor $_{(Result from step 3)}$ * (Service$_{\chi}$ Volume / Total Service Factored Volume)	Service$_1$ = 2.5 * (100 / 800)	Service$_1$ = 31% $\sum$Service$_{1...n}$ = 100%

CK981

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.3AC.1	This step calculates usage factor for each service, static factors are used and set as 1.	For each relevant service: • Service$_{\chi}$ static factor = 1	Service$_1$ = 1	Service$_1$ = 1
2	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • Service$_{\chi}$ usage factor = (Service$_{\chi}$ Volume * Service$_{\chi}$ static Factor $_{(Result from step 1)}$) / Total Service Volumes	Service$_1$ = (100 * 1)/500	Service$_1$ = 20% $\sum$Service$_{1...n}$ = 100%

CL160

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	22.3F CL160	This step calculates the usage factor using channels/circuit and relative times. In this instance, the usage factor is a static input.	Usage factor = 1	1	1
2	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • Service$_{\chi}$ percentage allocation = Service$_{\chi}$ Usage Factor $_{(Result from step 1)}$ * Service$_{\chi}$ Volume / Total Service Volume	Service$_1$ = 1 * (2m / 5m)	Service$_1$ = 40% $\sum$Service$_{1...n}$ = 100%

CL161

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	226.3J.1	This step calculates the Service Usage Factor based on the time taken (travel + onsite) to connect the associated jumpering product. Estimated time & travel figures are obtained from the "Time and Motion Study" input (baselined on the time taken for SL111 Wholesale PSTN premium connections). Mapping is obtained from the "Component to Service List 1" input. Note: For most services (i.e. except for the ones in steps 2, 3 and 4), the Service Usage Factors calculated in this step are the final Factors.	For each relevant service: • $Service_{\chi}$ Usage Factor = [$Service_{\chi}$ connection time] / [Base $Service_{(SL111)}$ connection time]	$Service_1$ Usage Factor = 30 minutes / 20 minutes	$Service_1$ Usage Factor = 1.5
2	226.3J.2	This step calculates the MPF/SMPF Tie Pair Modification Proportional Split Percentage (based on SL179 External LLU Ancillaries). MPF/SMPF volumes are obtained from the "Mapped ARC" data and the total service volumes are obtained from the "PVORREV" report.	• Tie Pair modifications Proportional Split = [$Service_{(SL179)}$ Tie Pair Modification volumes] / [$Service_{(SL179)}$ total volumes] * 100	Tie Pair modifications Proportional Split = 90 / 150 * 100	Tie Pair modifications Proportional Split = 60%
3	226.3J.3	For LLU Ancillaries services (SL178 and SL179) only, this step calculates the Service Usage Factor by applying the Tie Pair modifications Proportion Split (from step 2) to the corresponding $Service_{(SL202)}$ Usage Factor (from step 1). Note: $Service_{(SL202)}$: SMPF Hard Ceases (Internal)	For each LLU Ancillaries service (SL178 and SL179): • $Service_{\chi}$ Usage Factor = [$Service_{(SL202)}$ Usage Factor $_{(Result\ from\ step\ 1)}$] * [Tie Pair modifications Proportional Split $_{(Result\ from\ step\ 2)}$]	$Service_{SL179}$ Usage Factor = 2 * 60%	$Service_{SL179}$ Usage Factor = 1.2
4	226.3J.4	For Simultaneous Migrations (SL183, SL184) and Connections (SL188, SL189) only, this step calculates the Service Usage Factor by adjusting the Service Usage Factor for corresponding single migrations/connections with the "Jumpering Movements Rebase Factor". Mapping is obtained from the "Component to Service List 3" input. Rebase Factor is obtained from the "Jumper Movement Rebase" input. Rebase Factor is used because: • a simultaneous migration results in 4 jumper movements compared to 3.5 jumper movements for single migration – i.e. the Rebase Factor would be 4 / 3.5 = 1.14 • a simultaneous connection results in copper connection between two terminal ends across 2 copper service pairs, one providing voice and one providing broadband – i.e. 2 / 4 = 0.5 Notes: • $Service_{(SL180)}$: MPF Single Migrations (External) • $Service_{(SL111)}$: Wholesale PSTN premium connections (internal) • $Service_{(SL134)}$: SMPF New Provides (External)	For each Simultaneous Migrations (SL183, SL184) and Connections (SL188, SL189) service: • Simultaneous Migrations: $Service_{\chi}$ Usage Factor = [$Service_{(SL180)}$ Usage Factor $_{(Result\ from\ step\ 1)}$] * [Simultaneous Migrations Rebase Factor] • Simultaneous Connections: $Service_{\chi}$ Usage Factor = ([$Service_{(SL111)}$ Usage Factor $_{(Result\ from\ step\ 1)}$] + [$Service_{(SL134)}$ Usage Factor $_{(Result\ from\ step\ 1)}$]) * [Simultaneous Connections Rebase Factor]	$Service_{SL183}$ Usage Factor = 1.3 x 1.14 $Service_{SL188}$ Usage Factor = (1.1 + 1.4) x 0.5	$Service_{SL183}$ Usage Factor = 1.48 $Service_{SL188}$ Usage Factor = 1.25
5	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • $Service_{\chi}$ percentage allocation = [$Service_{\chi}$ Usage Factor] * [$Service_{\chi}$ Factored Volume] / [Total Factored Volume for all services] * 100	$Service_1$ percentage allocation = 1.2 * 90m / 800m * 100	$Service_1$ percentage allocation = 13.5% $\sum Service_{1...n}$ percentage allocation = 100%

CL171

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	017.3K.3	This step calculates the ISDN30 fill factor	ISDN30 Fill factor = Number of Channels / No. of Circuits from CTCS	ISDN30 Fill factor = 800k / 60k	ISDN30 Fill factor = 13.35
2	017.3K.5	This step calculates the ISDN Proportion over copper	Proportion over Fibre = Fibre ISDN30 Circuits / No. of Circuits from CTCS Proportion over copper = 1 - Proportion over Fibre	Proportion over Fibre = 30k/60k Proportion over copper = 1 - (30k/60k)	Proportion over Fibre = 0.53 Proportion over copper = 0.47
3	017.3K.6	This step calculates the average pair usage per ISDN30 circuits using bearer volumes	Line testing total$_x$ = Number of lines$_x$ * Total bearer volumes$_x$ Average pair usage = Line testing total$_{1...n}$ / Total bearer volumes$_{1...n}$	Line testing total$_1$ = 1 * 1000 Average pair usage = ((1*1000) + (a*b)) / (1000 + b)	Average pair usage = 1.6
4	222.2.1 (General Assumptions)	This step determines the channel to line factor for each service. This is based on a factual input and no specific calculation is performed.	Channel to line factor service$_x$ = Channel to line factor based on factual input	Channel to line factor service$_{ISDN30}$ = 1 Channel to line factor service$_{ISDN2}$ = 1 Channel to line factor service$_x$ = 1	Channel to line factor service$_{ISDN30}$ = 1 Channel to line factor service$_{ISDN2}$ = 1 Channel to line factor service$_x$ = 1
5	222.3A.1	This step calculates an updated channel to line factor for ISDN30 and ISDN2 services using the results from steps 1&2. Channel to line factors for all other services remain the same as step 4.	Updated channel to line factor service$_{ISDN30}$ = Channel to line factor service$_{ISDN30\ (result\ from\ step\ 4)}$ / ISDN30 Fill factor$_{(Result\ from\ step\ 1)}$ * Proportion over copper$_{(Result\ from\ step\ 2)}$ Updated channel to line factor service$_{ISDN2}$ = Channel to line factor service$_{ISDN2\ (result\ from\ step\ 4)}$ * 0.5 Updated channel to line factor service$_x$ = Channel to line factor$_{(result\ from\ step\ 4)}$	Updated channel to line factor service$_{ISDN30}$ = 1 / 13.35 * 0.47 Updated channel to line factor service$_{ISDN2}$ = 1 * 0.5 Updated channel to line factor service$_x$ = 1	Updated channel to line factor service$_{ISDN30}$ = 0.035 Updated channel to line factor service$_{ISDN2}$ = 0.5 Updated channel to line factor service$_x$ = 1
6	222.3A.1	This step calculates the D&E usage factor for ISDN30 and PPC services using the result from step 3. All other services have a D&E usage factor based on a factual input.	D&E usage factor service$_{ISDN30,\ PPC}$ = Average pair usage$_{(Result\ from\ step\ 3)}$ D&E usage factor service$_x$ = D&E usage factor based on factual input	D&E usage factor service$_{ISDN30,\ PPC}$ = 1.6 D&E usage factor service$_x$ = 1	D&E usage factor service$_{ISDN30,\ PPC}$ = 1.6 D&E usage factor service$_x$ = 1
7	222.3A.2	This step calculates the factor output for each service using the results from step 5&6. Note: if the service is a ISDN30, ISDN 2 or PPC service then the specific results from steps 5&6 will be used. For any other services the generic results from steps 5&6 will be used.	Service$_x$ usage factor = Updated Channel to Line Factor$_{(Result\ from\ step\ 5)}$ * D&E usage factor$_{(Result\ from\ step\ 6)}$	Service$_1$ usage factor $_{(ISDN30)}$ = 0.035 * 1.6 Service$_x$ usage factor = 1 * 1	Service$_1$ usage factor $_{(ISDN30)}$ = 0.056 Service$_x$ usage factor = 1
8	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • Weighted Usage Factor = Service$_x$ Usage Factor $_{(Result\ from\ step\ 7)}$ * (Service$_x$ Volume / Total Service Factored Volume)	Service$_1$ = 0.056 * (100 / 800)	Service$_1$ = 1% $\sum$Service$_{1...n}$ = 100%

CL173

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	017.3K.3	This step calculates the ISDN30 fill factor	ISDN30 Fill factor = Number of Channels / No. of Circuits from CTCS	ISDN30 Fill factor = 800k / 60k	ISDN30 Fill factor = 13.35
2	017.3K.5	This step calculates the ISDN proportion over copper	Proportion over Fibre = Fibre ISDN30 Circuits / No. of Circuits from CTCS Proportion over copper = 1 - Proportion over Fibre	Proportion over Fibre = 30k/60k Proportion over copper = 1 - (30k/60k)	Proportion over Fibre = 0.53 Proportion over copper = 0.47
3	017.3K.6	This step calculates the average pair usage per ISDN30 circuits using bearer volumes	Line testing total$_x$ = Number of lines$_x$ * Total bearer volumes$_x$ Average pair usage = Line testing total$_{1...n}$ / Total bearer volumes$_{1...n}$	Line testing total$_1$ = 1 * 1000 Average pair usage = ((1*1000) + (a*b)) / (1000 + b)	Average pair usage = 1.6
4	222.2.1 (General Assumptions)	This step determines the channel to line factor for each service. This is based on a factual input which lists out the Channel to Line Factor for each Service.	Channel to line factor service$_x$ = Channel to line factor	Channel to line factor service$_{ISDN30}$ = 1 Channel to line factor service$_{ISDN2}$ = 1 Channel to line factor service$_x$ = 1	Channel to line factor service$_{ISDN30}$ = 1 Channel to line factor service$_{ISDN2}$ = 1 Channel to line factor service$_x$ = 1
5	222.3A.1	This step calculates an updated channel to line factor for ISDN30 and ISDN2 services using the results from steps 1&2. Channel to line factors for all other services remain the same as step 4.	Updated channel to line factor service$_{ISDN30}$ = Channel to line factor service$_{ISDN30\ (result\ from\ step\ 4)}$ / ISDN30 Fill factor$_{(Result\ from\ step\ 1)}$ * Proportion over copper$_{(Result\ from\ step\ 2)}$ Updated channel to line factor service$_{ISDN2}$ = Channel to line factor service$_{ISDN2\ (result\ from\ step\ 4)}$ * 0.5 Updated channel to line factor service$_x$ = Channel to line factor$_{(result\ from\ step\ 4)}$	Updated channel to line factor service$_{ISDN30}$ = 1 / 13.35 * 0.47 Updated channel to line factor service$_{ISDN2}$ = 1 * 0.5 Updated channel to line factor service$_x$ = 1	Updated channel to line factor service$_{ISDN30}$ = 0.035 Updated channel to line factor service$_{ISDN2}$ = 0.5 Updated channel to line factor service$_x$ = 1
6	222.3A.1	This step calculates the D&E usage factor for ISDN30 and PPC services using the result from step 3. All other services have a D&E usage factor based on a factual input which lists out the usage factor for each service.	D&E usage factor service$_{ISDN30,\ PPC}$ = Average pair usage$_{(Result\ from\ step\ 3)}$ D&E usage factor service$_x$ = D&E usage factor factual input	D&E usage factor service$_{ISDN30,\ PPC}$ = 1.6 D&E usage factor service$_x$ = 1	D&E usage factor service$_{ISDN30,\ PPC}$ = 1.6 D&E usage factor service$_x$ = 1
7	222.3A.2	This step calculates the factor output for each service using the results from step 5&6. Note: if the service is a ISDN30, ISDN 2 or PPC service then the specific results from steps 5&6 will be used. For any other services the generic results from steps 5&6 will be used.	Service$_x$ usage factor = Updated Channel to Line Factor$_{(Result\ from\ step\ 5)}$ * D&E usage factor$_{(Result\ from\ step\ 6)}$	Service$_1$ usage factor $_{(ISDN30)}$ = 0.035 * 1.6 Service$_x$ usage factor = 1 * 1	Service$_1$ usage factor $_{(ISDN30)}$ = 0.056 Service$_x$ usage factor = 1
8	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • Weighted Usage Factor = Service$_x$ Usage Factor $_{(Result\ from\ step\ 7)}$ * (Service$_x$ Volume / Total Service Factored Volume)	Service$_{1\ (ISDN30)}$ = 0.056 * (100 / 800)	Service$_{1\ (ISDN30)}$ = 1% ∑Service$_{1...n}$ = 100%

CL174

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	222.3C.1	This step calculates total sum volumes for NGA and MPF services	$Service_{x\ NGA,MPF}$ Volume = $Service_x$ Volume * (Period/12)	$Service_{1\ NGA}$ Volume = 200k * (12/12)	$Service_{1\ NGA}$ Volume = 200k Sum of volumes $Service_{1-n\ NGA}$ Volume = 13m Sum of volumes $Service_{1-n\ MPF}$ Volume = 10m
2	222.3C.2	This step calculates the total sum of faults for MPF and NGA service groups	Sum of $faults_{NGA,\ MPF}$ = Total sum of faults across NGA or MPF service group	Sum of $faults_{NGA}$ = 1.7m Sum of $faults_{MPF}$ = 900k	Sum of $faults_{NGA}$ = 1.7m Sum of $faults_{MPF}$ = 900k
3	222.3C.2	This step calculates the fault rate for NGA service group	Faults to volume $ratio_{NGA}$ = Sum of $Faults_{NGA\ (Result\ from\ step\ 1)}$ / Sum of volumes $Service_{NGA}$ (Result from step 2) Faults to volumes $ratio_{MPF}$ = Sum of $Faults_{MPF\ (Result\ from\ step\ 1)}$ / Sum of volumes $Service_{MPF}$ (Result from step 2) Fault rate for NGA service group = Faults to volume $ratio_{NGA}$ / Faults to volumes $ratio_{MPF}$	Faults to volume $ratio_{NGA}$ = 1.7m / 13m Faults to volumes $ratio_{MPF}$ = 900k / 10m Fault rate for NGA service group = (1.7m / 13m) / (900k / 10m)	Faults to volume $ratio_{NGA}$ = 0.13m Faults to volumes $ratio_{MPF}$ = 0.09m Fault rate $service_{NGA}$ = 1.4m
4	222.3C.3	This step calculates the fault rates factor for different service groups. ISDN30, ISDN2 and PPC services require a specific calculation using factual inputs. All other services use frozen factual inputs. This step calculates the usage factor for each service using channel line to factor and service level weighting factual inputs. Fault rates are a result of steps 3 dependent on the service.	Fault rates $service_{ISDN30,\ ISDN2,\ PPC}$ = Usage factor per general assumptions $service_{ISDN30,\ ISDN2,\ PPC}$ * WLR usage factor per general assumptions $service_{ISDN30,\ ISDN2,\ PPC}$ Fault rates $service_x$ = Usage factor per general assumptions $service_x$ $Service_x$ usage factor = Channel to line factor * Service level weighting * Fault $rates_{(Result\ from\ step\ 3\&\ above)}$	Fault rates $service_{ISDN30}$ = 0.05 * 0.83 $Service_1$ usage factor $_{(ISDN30)}$ = 1 * 1.2 * 0.0415	Fault rates $service_{ISDN30}$ = 0.0415 $Service_1$ usage factor $_{(ISDN30)}$ = 0.0498
5	222.3B.2	This step calculates the altered service level for each service. If this calculation cannot be performed for a service because information is not available a factual input of 1.21 is used which is the Care Level 2 uplift factor based on analysis carried out in 2012/13.	Total Fault Time $service_x$ = Faults $service_x$ * Task Time $service_x$ Time per Fault Ratio $service_x$ = Total Fault Time $service_x$ / Faults $service_x$ Uplift % (Task Time) $service_x$ = Task Time $service_x$ / Time per Fault Ratio $service_x$-1 Uplift % (weeks) $service_x$ = Openreach uplift % Pay Uplift % $service_x$ = Uplift % (Task Time) $service_x$ * (1 + Uplift % (Weeks) $service_x$) Pay full rate uplift $service_x$ = Factual input Altered Service Level $service_x$ = Pay Full Rate Uplift $service_x$ * (Pay Uplift % $service_x$ + 1)	Total Fault Time $service_2$ = 500k * 300 = 95m Time per Fault Ratio $service_2$ = 95m / 500k = 190 Uplift % (Task Time) $service_2$ = 250 / 190-1 = 30% Uplift % (weeks) $service_2$ = 1% or 2% Pay Uplift % $service_2$ = 30% * (1+1%) = 30% Pay full rate uplift $service_2$ = 1.21 Altered Service Level $service_2$ = 1.21 * (30% + 1)	Altered Service Level $service_2$ = 1.5
6	222.3B.5	This step calculates the unadjusted and adjusted factor for each service using channel line to factor and service level weighting general assumptions. Fault rates are a result of steps 3&4 dependent on the service. Altered Service Levels are a result of step 5.	Unadjusted Factor $service_x$ = Channel to Line Factor $service_x$ * Service level weighting $service_x$ * Fault $Rates_{(Result\ from\ step\ 3\&4)}$ Adjusted Factor $service_x$ = Channel to Line Factor $service_x$ * Altered Service Level $service_{(Result\ from\ step\ 5)}$ * Fault $Rates_{(Result\ from\ step\ 3\&4)}$ Unadjusted Factored Volume = Unadjusted Factor $service_x$ * volume $service_x$ Adjusted Factored Volume $service_x$ = Adjusted Factor $service_x$ * volume $service_x$	Unadjusted Factor $service_2$ = 1 * 1.21 * 0.0415 = 0.0498 Adjusted Factor $service_2$ = 1 * 1.5 * 0.0415 = 0.0622 Unadjusted Factored Volume $service_2$ = 0.0498 * 190 Adjusted Factored Volume $service_2$ = 0.0622 * 190	Unadjusted Factored Volume $service_2$ = 9.4 Adjusted Factored Volume $service_2$ = 11.8
7	222.3B.5	This step calculates the adjusted volume factor for each service	Delta in Factored Volumes $service_x$ = Adjusted Factored Volume $service_{(Result\ form\ step6)}$ - unadjusted Factored Volume $service_{(Result\ from\ step\ 6)}$ Adjusted Volume Factor $service_x$ = Delta in Factored Volumes $service_x$ / Volume $service_x$	Delta in Factored Volumes $service_2$ = 11.8 - 9.4 = 2.4 Adjusted Volume Factor $service_2$ = 2.4 / 190	Adjusted Volume Factor $service_2$ = 1.24%
8	222.3B.5	This step calculates the expedite factor adjustment using ARC volume information for each service. For services with no volume information a expediate factor adjustment of 1 is assumed.	Expediate factor adjustment $service_x$ = Repair volumes $service_x$ / ((Repair volumes $service_x$ + Provision volumes $service_x$)*Area $Factor_x$)	Expediate factor adjustment $service_2$ = 8,000 / ((8,000 + 6,000)*0.65)	Expediate factor adjustment $service_2$ = 88%
9	222.3B.5	This step calculates the usage factor for each enhanced care and expedite services	$Service_x$ usage factor = Adjusted Volume Factor $service_{(Result\ from\ step\ 7)}$ * Expedite Factor Adjustment $service_{(Result\ from\ step\ 8)}$	$Service_2$ usage factor = 1.2% * 57%	$Service_2$ usage factor = 0.684
10	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • $Service_x$ percentage allocation = $Service_x$ Usage Factor $_{(Result\ from\ step\ 4\ or\ 9)}$ * ($Service_x$ Volume / Total Service Factored Volume)	$Service_1$ = 0.0498 * (100 / 800) $Service_2$ = 0.684 * (180 / 800)	$Service_1$ = 0.6% $Service_2$ = 15.4% $\sum Service_{1...n}$ = 100%

CL175

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	017.3K.3	This step calculates the ISDN30 fill factor.	ISDN30 Fill factor = Number of Channels / No. of Circuits from CTCS	ISDN30 Fill factor = 350k / 35k	ISDN30 Fill factor = 10.00
2	017.3K.5	This step calculates the ISDN proportion over copper. Values for this are obtained from Task Time input	Proportion over Fibre = Fibre ISDN30 Circuits / No. of Circuits from CTCS Proportion over copper = 1 - Proportion over Fibre	Proportion over Fibre = 17k/35k Proportion over copper = 1 - (17k/35k)	Proportion over Fibre = 0.49 Proportion over copper = 0.51
3	017.3K.6	This step calculates the average pair usage per ISDN30 circuits using bearer volumes.	Line testing total$_x$ = Number of lines$_x$ * Total bearer volumes$_x$ Average pair usage = Line testing total$_{1...n}$ / Total bearer volumes$_{1...n}$	Line testing total$_1$ = 1 * 1000 Average pair usage = ((1*1000) + (a*b)) / (1000 + b)	Average pair usage = 1.6
4	222.3A.1	This step calculates the factor for ISDN30 services The factor for ISDN2 services is 0.5, as there are 2 channels per circuit Other services have a factor of 1	1 / ISDN30 Fill factor $^{(step\ 1)}$ * Proportion over copper $^{(step\ 2)}$ * Average pair usage $^{(step\ 3)}$	ISDN30 factor = 1 / 10.00 * 0.51 * 1.5	ISDN30 factor = 0.08
5	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • Service$_\chi$ percentage allocation = Service$_\chi$ Usage Factor $_{(Result\ from\ step\ 7)}$ * (Service$_\chi$ Volume / Total Service Factored Volume)	Service$_1$ = 0.056 * (100 / 800)	Service$_1$ = 1% $\sum$Service$_{1...n}$ = 100%

CL178

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	22.3D CL178	This step details the usage factor, which is a static input of 1 or 0.5. The factors are based on the usage of drop wire by the services taking into account the volume measure of the service.	For each relevant service: • Service$_\chi$ usage factor = 0.5 or 1	Service$_1$ usage factor = 1 Service$_2$ usage factor = 0.5	Service$_1$ usage factor = 1 Service$_2$ usage factor = 0.5

CL180

Please see CL174 for calculation steps.

CL182

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.3T.1	This step calculates the usage factor for the WLA and WLR markets, using the total task time for each market as a proportion of total task time across all markets. Values for this are obtained from Task Time input	For each relevant market: • Market$_\chi$ task time per job = (Travel Time + Onsite Time + Stores Time) / No. Jobs • Market$_\chi$ = Market$_\chi$ task time per job $_{(Result\ from\ above)}$ / Total Task Time	Market$_{(WLA)}$ task time = (250k + 450k + 0) / 10k = 70 Market$_{(WLA)}$ usage factor = 70 /40	Market$_{(WLA)}$ usage factor = 1.75
2	223.3T.2	This step calculates the usage factor for 'other' markets, a factor is calculated as the % provision of the total provision and repair. Data for this calculation is obtained from Expedites input	Market$_{(Other)}$ usage factor = Provision / (Provision + Repair)	Market$_{(Other)}$ usage factor = 1,500 / (1,500 + 3,000)	Market$_{(Other)}$ usage factor = 0.33

CL590

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	77.3I.9	This step calculates Service Revenue using price and volume (PxV) data.	For all relevant services: • $Service_{\chi}$ Revenue = Price * Volume	$Service_{1}$ Revenue = £10 * 2,500 units	$Service_{1}$ Revenue = £25,000
2	77.3I.10	This step calculates the weighted volume (i.e. adjusted for relative fault rates) using service revenue from step 1.	For all relevant services: • $Service_{\chi}$ weighted volume = $Service_{\chi}$ Revenue $_{(Results\ from\ step\ 1)}$ * MPF fault rates	$Service_{1}$ weighted volume = £25,000 * 20%	$Service_{1}$ weighted volume = 5,000
3	77.3I.11	This step calculates the percentage split of of SLG payment data to be apportioned to relevant services.	FTTP Rental allocation External = (FTTP SLG Payments / Total WLA SLG Payments) * Int/ Ext Split	FTTP Rental allocation External= (£30m/ £80m) * * 61%	FTTP Rental allocation External= 12.5%
4	77.3I.12	This step calculates the WLA usage factor output, using weighted volumes and the product grouping split calculated in steps 2 and 3.	For all relevant services: Step A: Weighted volume per product category percentage= ($Service_{\chi}$ weighted volume$_{(Result\ from\ step\ 2)}$ /Total weighted volume for product category) * SLG product payment apportionment $_{(Result\ from\ step\ 3)}$ Step B: Weighted volume= Weighted volume per product category % ($_{Result\ from\ step\ A)}$ * Total weighted volume Step C: Usage Factor= (Weighted volume ($_{Result\ from\ step\ B)}$ / Volume) *100	Step A= (5,000 / 30,000) * 12.5% = 2% Step B= 2% * 2,000,000= 40,000 Step C: (40,000 / 2,500)= 16	$Service_{1}$= 16
5	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • $Service_{\chi}$ percentage allocation = $Service_{\chi}$ Usage Factor $_{(Result\ from\ step\ 4)}$ * ($Service_{\chi}$ Volume / Total $Service_{\chi}$ Factored Volume)	$Service_{1}$ = (16 * (2,500 / 1,000,000)) *100	$Service_{1}$ = 4% $\sum Service_{1...n}$ = 100%

CL591

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	77.3I.9	This step calculates Service Revenue using price and volume (PxV) data.	For all relevant services: • $Service_{\chi}$ Revenue = Price * Volume	$Service_{1}$ Revenue = £10 * 2,500 units	$Service_{1}$ Revenue = £25,000
2	77.3I.10	This step calculates the weighted volume (i.e. adjusted for relative fault rates) using service revenue from step 1.	For all relevant services: • $Service_{\chi}$ weighted volume = $Service_{\chi}$ Revenue $_{(Results\ from\ step\ 1)}$ * MPF fault rates	$Service_{1}$ weighted volume = £25,000 * 20%	$Service_{1}$ weighted volume = 5,000
3	77.3I.11	This step calculates the percentage split of of SLG payment data to be apportioned to relevant services.	FTTP Rental allocation Internal = (FTTP SLG Payments / Total WLA SLG Payments) * Int/ Ext Split Payments	FTTP Rental allocation Internal= (£30m/ £80m) *55% * 61%	FTTP Rental allocation Internal= 12.5%
4	77.3I.12	This step calculates the WLA usage factor output, using weighted volumes and the product grouping split calculated in steps 2 and 3.	For all relevant services: Step A: Weighted volume per product category percentage= ($Service_{\chi}$ weighted volume$_{(Result\ from\ step\ 2)}$ /Total weighted volume for product category) * SLG product payment apportionment $_{(Result\ from\ step\ 3)}$ Step B: Weighted volume= Weighted volume per product category % ($_{Result\ from\ step\ A)}$ * Total weighted volume Step C: Usage Factor= (Weighted volume ($_{Result\ from\ step\ B)}$ / Volume) *100	Step A= (5,000 / 30,000) * 12.5% = 2% Step B= 2% * 2,000,000= 40,000 Step C: (40,000 / 2,500)= 16	$Service_{1}$= 16
5	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • $Service_{\chi}$ percentage allocation = $Service_{\chi}$ Usage Factor $_{(Result\ from\ step\ 4)}$ * ($Service_{\chi}$ Volume / Total $Service_{\chi}$ Factored Volume)	$Service_{1}$ = (16 * (2,500 / 1,000,000)) *100	$Service_{1}$ = 4% $\sum Service_{1...n}$ = 100%

CL601

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	226.3A.1	This step calculates the usage factor per service, with usage factor equal to price per service.	$Service_{\chi}$ price = £12 $Service_{\chi}$ usage factor = $Service_{\chi}$ price	$Service_{1}$ usage factor = 12	$Service_{1}$ usage factor = 12
2	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • $Service_{\chi}$ percentage allocation = $Service_{\chi}$ Usage Factor $_{(Result\ from\ step\ 1)}$ * ($Service_{\chi}$ Volume / Total Service Factored Volume)	$Service_{1}$ = 12 * (100 / 8,000)	$Service_{1}$ = 15% $\sum Service_{1...n}$ = 100%

CL605

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	226.3A.1	This step calculates the usage factor per service, with usage factor equal to price per service.	$Service_{\chi}$ price = £12 $Service_{\chi}$ usage factor = $Service_{\chi}$ price	$Service_1$ usage factor = 12	$Service_1$ usage factor = 12
2	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • Weighted Usage Factor = $Service_{\chi}$ Usage Factor $_{(Result\ from\ step\ 1)}$ * ($Service_{\chi}$ Volume / Total Service Factored Volume)	$Service_1$ = 12 * (100 / 8,000)	$Service_1$ = 15% $\sum Service_{1...n}$ = 100%

CL612

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	77.3K.1	This step maps the current and prior year ARC balance sheet data to services and then to corresponding IFRS15 service. Results are then grouped by IFRS15 service as Opening balances (OB) and Closing balances (CB).	$Service_{\chi}$ ARC OB = $Product_{X1}$ ARC PY Balance + $Product_{X2}$ ARC PY Balance + .. IFRS15 $Service_X$ OB = $Service_{X1}$ ARC OB + $Service_{X2}$ ARC OB + … $Service_X$ ARC CB= $Product_{X1}$ ARC CY Balance + $Product_{X2}$ ARC CY Balance + … IFRS15 $Service_X$ CB = $Service_{X1}$ ARC CB + $Service_{X2}$ ARC CB + …	$Service_1$ ARC OB = 10 + 10 +… IFRS15 $Service_1$ OB = 100 + 100 +… $Service_1$ ARC CB = 20 + 20 + … IFRS15 $Service_1$ CB = 200 + 200 +…	$Service_1$ ARC OB = £100 IFRS15 $Service_1$ OB = £1,000 $Service_1$ ARC CB = £200 IFRS15 $Service_1$ CB = £2,000
2	77.3K.2	This step redistribute balances geographically across the Ethernet markets in proportion to the Revenue distribution by calculating an appropriate adjustment, for Ethernet services only.	Total $Ethernet_{\chi}$ Revenue = $Service_{\chi 1}$ Revenue + … + $Service_{\chi n}$ Revenue $Service_{X1}$ Allocation % = $Service_{\chi 1}$ Revenue / Total $Ethernet_{\chi}$ Revenue Total $Ethernet_{\chi}$ OB= $Service_{\chi 1}$ OB + … + $Service_{\chi n}$ OB $Service_{\chi 1}$ OB Adj = Total $Ethernet_{\chi}$ OB * $Service_{\chi 1}$ Allocation % - $Service_{\chi 1}$ OB Total $Ethernet_{\chi}$ CB = $Service_{\chi 1}$ CB + … + $Service_{\chi n}$ CB $Service_{\chi 1}$ CB Adj = Total $Ethernet_{\chi}$ CB * $Service_{\chi 1}$ Allocation % - $Service_{\chi 1}$ CB IFRS15 $Service_{\chi}$ OB Adj = $Service_{\chi 1}$ OB Adj + $Service_{\chi 1}$ OB Adj + … IFRS15 $Service_{\chi}$ CB Adj = $Service_{\chi 1}$ CB Adj + $Service_{\chi 1}$ CB Adj + …	Total $Ethernet_1$ Revenue = 25 + … + 25 = £100 $Service_{X1}$ Allocation % = 25 / 100 = 25% Total $Ethernet_1$ OB = 100 + … + 100 = £500 $Service_{\chi 1}$ OB Adj = 500 x 25% - 100 = £25 Total $Ethernet_1$ CB = 200 + … + 200 = £1,000 $Service_{\chi 1}$ CB Adj = 1,000 x 25% - 200 = £50 IFRS15 $Service_1$ OB Adj = 25 + 26 + … IFRS15 $Service_1$ CB Adj = 50 + 51 + …	IFRS15 $Service_1$ OB Adj = £150 IFRS15 $Service_1$ CB Adj = £300
3	77.3K.3	This step sums the IFRS15 service balances and adjustments to calculate MCE, which is the Usage Factor.	IFRS15 $Service_X$ Deferred Revenue Opening = IFRS15 $Service_X$ $OB_{(Result\ from\ Step\ 1)}$ + IFRS15 $Service_X$ OB $Adj_{(Result\ from\ Step\ 2)}$ IFRS15 $Service_X$ Deferred Revenue Closing = IFRS15 $Service_X$ $CB_{(Result\ from\ Step\ 1)}$ + IFRS15 $Service_X$ CB $Adj_{(Result\ from\ Step\ 2)}$ IFRS15 $Service_X$ Usage Factor/MCE = (IFRS15 $Service_X$ Deferred Revenue $Opening_{(Result\ from\ above)}$ + IFRS15 $Service_X$ Deferred Revenue $Closing_{(Result\ from\ above)}$) / 2	IFRS15 $Service_1$ Deferred Revenue Opening = £1,000 + £150 = £1,150 IFRS15 $Service_1$ Deferred Revenue Closing = £2,000 + £300 = £2,300 IFRS15 $Service_1$ Usage Factor/MCE = (£1,150 + £2,300) / 2	IFRS15 $Service_1$ Usage Factor/MCE = £1,725
4	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • $Service_{\chi}$ percentage allocation = $Service_{\chi}$ Usage Factor $_{(Result\ from\ step\ 3)}$ * ($Service_{\chi}$ Volume / Total Service Factored Volume)	$Service_1$ = 1,725 * (500 / 5m)	$Service_1$ = 17% $\sum Service_{1...n}$ = 100%

CL613

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	226.3C.1	This steps calculates the service usage factor based on SLG revenues.	$Service_{\chi}$ usage factor = SLG Revenue / 1,000,000	$Service_1$ usage factor = £2,500,000 / 1,000,000	$Service_1$ usage factor = 2.5
2	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • $Service_{\chi}$ percentage allocation = $Service_{\chi}$ Usage Factor $_{(Result\ from\ step\ 1)}$ * ($Service_{\chi}$ Volume / Total Service Factored Volume)	$Service_1$ = 2.5 * (200 / 5,000)	$Service_1$ = 10% $\sum Service_{1...n}$ = 100%

CL614

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	77.3K.1	This step maps the current and prior year ARC balance sheet data to services and then to corresponding IFRS15 service. Results are then grouped by IFRS15 service as Opening balances (OB) and Closing balances (CB).	$Service_{\chi}$ ARC OB = $Product_{X1}$ ARC PY Balance + $Product_{X2}$ ARC PY Balance + .. IFRS15 $Service_X$ OB = $Service_{X1}$ ARC OB + $Service_{X2}$ ARC OB + … $Service_X$ ARC CB= $Product_{X1}$ ARC CY Balance + $Product_{X2}$ ARC CY Balance + … IFRS15 $Service_X$ CB = $Service_{X1}$ ARC CB + $Service_{X2}$ ARC CB + …	$Service_1$ ARC OB = 10 + 10 +… IFRS15 $Service_1$ OB = 100 + 100 +… $Service_1$ ARC CB = 20 + 20 + … IFRS15 $Service_1$ CB = 200 + 200 +…	$Service_1$ ARC OB = £100 IFRS15 $Service_1$ OB = £1,000 $Service_1$ ARC CB = £200 IFRS15 $Service_1$ CB = £2,000
2	77.3K.2	This step redistribute balances geographically across the Ethernet markets in proportion to the Revenue distribution by calculating an appropriate adjustment, for Ethernet services only.	Total $Ethernet_{\chi}$ Revenue = $Service_{\chi 1}$ Revenue + … + $Service_{\chi n}$ Revenue $Service_{X1}$ Allocation % = $Service_{\chi 1}$ Revenue / Total $Ethernet_{\chi}$ Revenue Total $Ethernet_{\chi}$ OB= $Service_{\chi 1}$ OB + … + $Service_{\chi n}$ OB $Service_{\chi 1}$ OB Adj = Total $Ethernet_{\chi}$ OB * $Service_{\chi 1}$ Allocation % - $Service_{\chi 1}$ OB Total $Ethernet_{\chi}$ CB = $Service_{\chi 1}$ CB + … + $Service_{\chi n}$ CB $Service_{\chi 1}$ CB Adj = Total $Ethernet_{\chi}$ CB * $Service_{\chi 1}$ Allocation % - $Service_{\chi 1}$ CB IFRS15 $Service_{\chi}$ OB Adj = $Service_{\chi 1}$ OB Adj + $Service_{\chi 1}$ OB Adj + … IFRS15 $Service_{\chi}$ CB Adj = $Service_{\chi 1}$ CB Adj + $Service_{\chi 1}$ CB Adj + …	Total $Ethernet_1$ Revenue = 25 + … + 25 = £100 $Service_{X1}$ Allocation % = 25 / 100 = 25% Total $Ethernet_1$ OB = 100 + … + 100 = £500 $Service_{\chi 1}$ OB Adj = 500 x 25% - 100 = £25 Total $Ethernet_1$ CB = 200 + … + 200 = £1,000 $Service_{\chi 1}$ CB Adj = 1,000 x 25% - 200 = £50 IFRS15 $Service_1$ OB Adj = 25 + 26 + … IFRS15 $Service_1$ CB Adj = 50 + 51 + …	IFRS15 $Service_1$ OB Adj = £150 IFRS15 $Service_1$ CB Adj = £300
3	77.3K.3	This step sums the IFRS15 service balances and adjustments to calculate MCE, which is the Usage Factor.	IFRS15 $Service_X$ Deferred Revenue Opening = IFRS15 $Service_X$ $OB_{(Result\ from\ Step\ 1)}$ + IFRS15 $Service_X$ $OB\ Adj_{(Result\ from\ Step\ 2)}$ IFRS15 $Service_X$ Deferred Revenue Closing = IFRS15 $Service_X$ $CB_{(Result\ from\ Step\ 1)}$ + IFRS15 $Service_X$ $CB\ Adj_{(Result\ from\ Step\ 2)}$ IFRS15 $Service_X$ Usage Factor/MCE = (IFRS15 $Service_X$ Deferred Revenue $Opening_{(Result\ from\ above)}$ + IFRS15 $Service_X$ Deferred Revenue $Closing_{(Result\ from\ above)}$) / 2	IFRS15 $Service_1$ Deferred Revenue Opening = £1,000 + £150 = £1,150 IFRS15 $Service_1$ Deferred Revenue Closing = £2,000 + £300 = £2,300 IFRS15 $Service_1$ Usage Factor/MCE = (£1,150 + £2,300) / 2	IFRS15 $Service_1$ Usage Factor/MCE = £1,725
4	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • $Service_{\chi}$ percentage allocation = $Service_{\chi}$ Usage $Factor_{(Result\ from\ step\ 3)}$ * ($Service_{\chi}$ Volume / Total Service Factored Volume)	$Service_1$ = 1,725 * (500 / 5m) $\sum Service_{1…n}$ = 100%	$Service_1$ = 17%

CL942

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	51.3A.1	Non-BT Assets: This step calculates the Conversion Ratio of Specialised Estate NRC to the Group Property trade for specialised buildings. Used to apportion the specialised NRC value across components	Conversion Ratio = Total Non BT Operational Building Assets / Total Group Property Trades for Operational Buildings	Conversion Ratio = 800 / 10	Conversion Ratio = 80
2	51.3A.2	Non-BT Assets: This step uses the Conversion Ratio from Step 1 to calculate the CCA (Landlord) MCE cost for each service	CCA MCE (£) = (Total Cost for Service/1000) * Conversion Ratio (result from Step 1)	CCA MCE (£) = 100,000/1,000 * 80	CCA MCE (£) = £8k
3	153.3.4	This step calculates the WACC rates for each component. Each published service is mapped to the most appropriate WACC rate from Ofcom's three categories as set out in the WFTMR. These WACC rates are then pushed down to individual components, based on the WACC category that the majority of that component's cost is allocated to at the service level.	WACC % = component opex allocated to used WACC category > component opex allocated to unused categories	WACC % = £1.0m opex to 9% category > £0.5m opex to 8% category > £0.0m opex to 10% category	WACC % = 9%
4	51.3A.5	BT Assets: This step calculates the PIA cost of each service as a % of the total component	% of service as total of component = Total Cost for Service (£) / Total Cost for Component which Service resides in (£)	% of service as total of component = £5m / £50m	% of service as total of component = 10%
5	51.3A.6	BT Assets The component % allocation of the total components is multiplied by the % of service as total of component. This is the % to be added to each service	Total percentage to be added to service = % of service as total of component (result from Step 4) * % of component of the total components	Total percentage to be added to service = 0.1 * 0.15	Total percentage to be added to service = 1.5%
6	51.3A.7	BT Assets This step takes the sum MCE of all PIA services and multiplies it by the % calculated in the previous step. The PIA MCE is then summed on a Service level	Total PIA MCE (£) = Total percentage to be added to service (result from Step 5) * Total Sum of MCE for PIA Services (£)	Total PIA MCE (£) = 1.5% * £5,000m	Total PIA MCE (£) = £75m
7	51.3A.8	BT Assets This step calculates the new PIA MCE using the MCE cost proportion for each service and the Total PIA MCE Cost calculated in the previous step	PIA MCE for each Service and COW = (MCE for each Service and COW (£) / Total Service MCE (£)) * Value of PIA MCE (£) (result from Step 6 which has been summed up on a Service Level)	PIA MCE for each Service and COW = (5m / 100m) * 75m	PIA MCE for each Service and COW = £3.75m
8	51.3A.9	BT Assets This step calculates the CCA MCE cost using the original MCE and new PIA MCE costs	CCA MCE (£) = (MCE + PIA MCE (result from Step 7)) / 1000	CCA MCE (£) = (5m+ 3.75m) / 1000	CCA MCE (£) = £875k
9	51.3A.10	BT Assets This step calculates the Landlord MCE cost by multiplying the CCA cost by the Landlord %	Landlord MCE (£) = CCA MCE (£) (result from Step 8) * Landlord %	Landlord MCE (£) = £875k * 100%	Landlord MCE (£) = £875k
10	51.3A.11	BT and Non-BT Assets combined together This step calculates the Weighted MCE value for Openreach and BTW Assets (result from Step 2 and 9) * by multiplying the Landlord MCE cost by the WACC Rate %	Weighted Return (£) =Landlord MCE (£) (result from Step 9) * WACC Rate %	Weighted Return (£) = £875k * 8%	Weighted Return (£) = £70k
11	51.3A.12	Calculate the percentage allocation of each service based on the weighted return for the service divided by the total weighted return for all services this component allocates cost to.	$Service_x$ % Allocation = Weighted Return for $Service_x$ (£) (result from Step 4 and 11) / Total Weighted returns for all services (£) (result from Step 5 and 12 which have been summed up)	$Service_1$ % Allocation = 40k / 320k	$Service_1$ % Allocation = 20% $\sum Service_{1...n}$ % Allocation= 100%
12	51.3A.13	A volume based weighting is applied to arrive at the final factor allocation	$Service_x$ Factor = $Service_x$ % Allocation (result from Step 12) / Volume*10	$Service_1$ Factor = 0.20 / 20 * 100%	$Service_1$ Factor = 0.01
13	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: $Service_x$ percentage allocation = $Service_x$ Usage Factor (result from Step 13) * ($Service_x$ Volume / Total Service Factored Volume)	$Service_1$ = 1 * (200 / 1000)	$Service_1$ = 20% $\sum Service_{1...n}$ = 100%

CL943

Please see CL942 for calculation steps.

CL954

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.2.15	This step calculates the usage factor using channels/circuit and relative times. In this instance, the usage factor is a static input.	This step calculates the usage factor using channels/circuit and relative times. In this instance, the usage factor is a static input	Usage factor = 1	Usage factor = 1
2	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • $Service_\chi$ percentage allocation = $Service_\chi$ Usage Factor (Result from step 1) * ($Service_\chi$ Volume / Total Service Factored Volume)	$Service_1$ = 1 * (100 / 800)	$Service_1$ = 12.5% $\sum Service_{1...n}$ = 100%

CL958

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.2.15	This step calculates the usage factor using channels/circuit and relative times. In this instance, the usage factor is a static input.	Usage factor = 1.5	Usage factor = 1.5	Usage factor = 1.5
2	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • $Service_{\chi}$ percentage allocation = $Service_{\chi}$ Usage Factor $_{(Result\ from\ step\ 1)}$ * ($Service_{\chi}$ Volume / Total Service Factored Volume)	$Service_1$ = 1.5 * (100 / 800)	$Service_1$ = 18.75% $\sum Service_{1...n}$ = 100%

CN619

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	Feeder relating to input 228.2.56 21C (Output from Model 24)	This step calculates the Component Cost based on the current and prior year asset cost as a proportion of asset life. Values obtained from CAM Costs Input	For each relevant 10G and 1G component: • $Component_{\chi}$ Cost = Average[(CY Cost / Asset Life), (PY Cost / Asset Life)]	$Component_{10G}$ Cost = Average[(£1,250 / 6) , (£13 / 6)] $Component_{1G}$ Cost = Average[(£1,000 / 6) , (£11 / 6)]	$Component_{1\ -\ 10G}$ Cost = £105.25 $Component_{2\ -\ 1G}$ Cost = £84.25
2	228.3K.3	This step calculates Unit Cost based on the component cost (sum of result from step 1) divided by Total Volumes. Values obtained from 21C and Service Volumes Input	For 10G and 1G total component • $Component_{10G/1G}$ Unit Cost = Total $Component_{10G/1G}$ Cost / Total Volumes	$Component_{10G}$ Unit Cost = £1,500 / 25 $Component_{1G}$ Unit Cost = £1,200 / 25	$Component_{10G}$ Unit Cost = £60 $Component_{1G}$ Unit Cost = £48
3	228.3K.4	This step calculates service Usage Factor (Ratio 10G / 1G cost). Each Service is either 10G or 1G. If 10G then this step calculates the usage factor by dividing 10G cost by 1G cost from step 1 otherwise it is allocated a value of 1	• $Service_{\chi(10G)}$ = $Component_{10G}$ Unit $Cost_{(Result\ from\ step\ 2)}$ / $Component_{1G}$ Unit $Cost_{(Result\ from\ step\ 2)}$ • $Service_{\chi(1G)}$ = Static Allocation	$Service_{1\ (10G)}$ = £60 / £48 $Service_{2\ (10G)}$ = 1	$Service_{1\ (10G)}$ = 1.25 $Service_{2\ (10G)}$ = 1
4		This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • $Service_{\chi}$ percentage allocation = $Service_{\chi}$ Usage $Factor_{(Result\ from\ step\ 3)}$ * ($Service_{\chi}$ Volume / Total Service Factored Volume)	$Service_1$ = 1.25 * (200 / 500k) $Service_2$ = 1 * (100 / 500k)	$Service_1$ = 0.05% $Service_2$ = 0.075% $\sum Service_{1...n}$ = 100%

CO445

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	228.3F.1	This step calculates Usage Factor (UF): Ports / Circuit by dividing the number of Ports / by EAD (Ethernet Access Direct) Circuits or OSA (Open Systems Architecture). EAD Circuits or OSA is obtained from Ethernet Monthly Volume Data. Ports is obtained from XIAN Platform Volumes.	For each relevant service: • $Service_{\chi}$ port/service UF = $Service_{\chi}$ Ports / $Service_{\chi}$ EAD Circuits or OSA	$Service_1$ UF = 120 / 60	$Service_1$ UF = 2.0
2	228.3F.2	This step determines the Factor Allocation for each service. First this step calculates UF: volume conversion. This is done by dividing EAD Circuits or OSA by RFS Volumes (This is EAD Circuits or OSA plus OSA Volume). Then this number is multiplied by UF: Ports / $Circuit_{(Result\ from\ step\ 1)}$ EAD Circuits or OSA and OSA Volumes is obtained from Ethernet Monthly Volume Data	For all relevant services: • $Service_{\chi}$ factor = ($Service_{\chi}$ EAD Circuits for OSA / $Service_{\chi}$ RFS Volumes) * $Service_{\chi}$ UF: Ports / $Circuit_{(Result\ from\ step\ 1)}$	$Service_1$ factor = (50 / 75) * 2.0	$Service_1$ factor = 1.34
3	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • Weighted Usage Factor = $Service_x$ $Factor_{(Result\ from\ step\ 2)}$ * ($Service_x$ Volume / Total Service Factored Volume)	$Service_1$ = 1.34 * (10 / 1,000)	$Service_1$ = 1.3% $\sum Service_{1...n}$ = 100%

CO484

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	233.3A.1	This step calculates the allocation for this component to all the relevant services.	[Service 1 Allocation] = [Static factor allocations based on historic fibre length data] * [Factored Volume for Service 1] / ([Factored Volume for Service 1] + [Factored Volume for Service 2] + ...) ... Repeat for all services N.B. The static factor allocations above do not apply to Ethernet Main Link services. These are not based on previous fibre length data, and have been fixed to 1.	[Service 1 Allocation] = 25% * 100 / (100 + 200 + ...)	2.5%

CO485

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	Feeder - Input 228.2.12 Rental Volumes from Model 227	This step calculates a 2 month average for rental volumes and the total less market split.	2 month average volumes = (Current month volumes + Prior month volumes) / 2 Total Less Market Split = (UK + Extl NI Rentals) - 2 Month Average volumes	2 month average volumes = (4 + 6) / 2 Total less market split = (22 + 8) - 5	2 month average volumes = 5 Total less market split = 25
2	Feeder - Input 228.2.12 Rental Volumes from Model 227	This step calculates the adjusted volumes for products with rental data.	Proportion Factor = Total Rental volumes for product per Market / Total Rental volumes for product across all markets Total Rental Volumes Adjusted = 2 month average volumes$_{(Result\ from\ Step\ 1)}$ + Total Less Market Split$_{(Result\ from\ Step\ 1)}$ * Proportion Factor$_{(Result\ from\ above)}$	Proportion Factor = 12/36 Total Rental Volumes Adjusted = (5 + 25) * 0.33	Proportion Factor = 0.33 Total Rental Volumes Adjusted = 10
3	Feeder - Input 228.2.12 Rental Volumes from Model 227	Adjust the Rental Volumes by the rental factor	Service$_x$ rental revenue = Total Rental Volumes Adjusted$_{(Result\ from\ Step\ 2)}$ * Rental Factor	Service$_1$ = 0 * 1 Service$_2$ = 10 * 2	NI Internal Rental Revenue Service$_1$= 0 NI Internal Rental Revenue Service$_2$ = 20
4	228.3E.1	This step calculates Bearer Volumes. Divides Aggregate Month Volumes by the current reporting Period. Both values are obtained from Rental Volumes input	For each relevant service: • Service$_x$ adj rental volumes = Service$_x$ Aggregate Month Volumes / Period	Service$_1$ adj rental volumes = 60 / 12	Service$_x$ adj rental volumes = 5.0
5	228.3E.2	This step calculates Bearer Fraction to do so Bearer Volumes (Result from Step 4) is divided by Total Service Volumes. Service Volumes are obtained from Rental Volumes input	For each relevant service: • Service$_x$ bearer fraction = Service$_x$ Bearer Volumes$_{(Result\ from\ Step\ 4)}$ / Total Service Volumes	Service$_1$ bearer fraction = 5.0 / 200	Service$_1$ bearer fraction = 0.025
6	228.3E.5	This step calculated Volumes in Circuits by dividing OR Raw volumes by Conversion of Local Ends to Cct OR Raw Volumes is obtained from Rental Volumes input Conversion of Local Ends to Cct obtained from Ends per circuit	For each relevant service: • Service$_x$ volumes = Service$_x$OR Raw volumes / Service$_x$ Conversion of Local Ends to Cct	Service$_1$ volumes = 50/10	Service$_1$ volumes = 5.0
7	228.3E.6	This step calculates Factor to do so it divides Volumes in Circuits by OR Raw Volumes. This number is then multiplied by the bearer fraction OR Raw Volumes is obtained from Rental Volumes input	For each relevant service: • Service$_x$ factor = (Service$_x$ Volumes in Circuits$_{(Result\ from\ Step\ 6)}$ / Service$_x$ OR Raw volumes) * Service$_x$ bearer fraction$_{(Result\ from\ Step\ 5)}$	Service$_1$ factor = (5.0 / 50) * 0.025	Service$_1$ factor = 0.0025
8		This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • Weighted Usage Factor = Service$_x$ usage factor $_{(Result\ from\ step\ 7)}$ * (Service$_x$ Volume / Total Service Factored Volume)	Service$_1$ = 0.0025 * (100 / 800)	Service$_1$ = 0.31% $\sum$Service$_{1...n}$ = 100%

CO487

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	228.3E.5	This section calculates volumes in Circuits. To do so OR Raw volumes is divided by the Conversion of Local Ends to Cct OR Raw Volumes is obtained from Rental Volumes input Conversion of Local Ends to Cct obtained from Ends per circuit	For each relevant service: • $Service_{\chi}$ volumes in circuit = $Service_{\chi}$ OR Raw volumes / $Service_{\chi}$ conversion of local ends to cct	$Service_1$ = 10 / 10	$Service_1$ = 1.0
2	228.3E.5	This step calculates Electronics GRC This is done by multiplying Volumes in Circuits (Result from step 1) by Electronics Unit Cost (per cct) Electronics Unit Cost (per cct) is obtained from EAD Ethernet Prices	For each relevant service: • $Service_{\chi}$ electronics GRC = $Service_{\chi}$ Volumes in $Circuits_{(Result\ from\ step\ 1)}$ * $Service_{\chi}$ electronics unit cost (per cct)	$Service_1$ = 1.0 * 20	$Service_1$ = 20.0
3	228.3E.8	This section calculates Pay install per cct First C1 Connection Volumes Excluded EBD and OSA is added to NI Connection Volumes excluding EBD and OSA Then Pay Booked to DTTSW is divided by this value Values are obtained from Connection Volumes input	For each relevant service: • $Service_{\chi}$ pay install per cct = Pay Booked to DTTSW / (C1 Connection Volumes excl. EBD and OSA + NI Connection Volumes excl. EBD and OSA)	$Service_1$ = 4 / (1 + 3)	$Service_1$ = 1.0
4	228.3E.8	This section calculates Cost per unit To obtain this value Electronics GRC (Result from step 2) is divided by OR Raw volumes OR Raw Volumes is obtained from Rental Volumes input	For each relevant service: • $Service_{\chi}$ cost per unit = $Service_{\chi}$ electronics $GRC_{(Result\ from\ step\ 2)}$ / $Service_{\chi}$ OR Raw volumes	$Service_1$ = 1.0 / 10	$Service_1$ = 0.10
5	228.3E.8	This step calculates the usage factor. To do so Cost per unit (Result from step 4) is added to the value for Pay install per cct (Result from step 3).	For each relevant service: • Base $Service_{\chi}$ factor = ($Service_{\chi}$ cost per $unit_{(Result\ from\ step\ 4)}$ +$Service_{\chi}$ pay install per $cct_{(Result\ from\ step\ 3)}$ • $Service_x$ usage factor = Base $Service_{\chi}$ factor / Base $Service_{ss132}$ factor	$Service_1$ = (0.10 + 1.0) / 2	$Service_1$ = 0.6
6		This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • Weighted Usage Factor = $Service_x$ usage factor $_{(Result\ from\ step\ 5)}$ * ($Service_x$ Volume / Total Service Factored Volume)	$Service_1$ = 0.6 * (100 / 800)	$Service_1$ Allocation % = 7.5% $\sum Service_{1...n}$ Allocation % = 100%

CP501

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	226.3G.2	This step uses the mapping table to filter the services to be assigned allocation of CP501 based on price being the usage factor	For each service: • Usage factor = service Price	Usage Factor = Service Price	Usage factor = 50
2	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • Weighted Usage Factor = $Service_{\chi}$ Usage Factor (Result from step 2) * ($Service_{\chi}$ Volume / Total Service Factored Volume	Service1 = 0.04% * (2m / 5m) ServicePIA = 0.12% * (1m / 5m)	Service1 = 0.016% ServicePIA = 0.024% $\sum$Service1...n = 100%

CP502

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	226.3I.1	Using the PVORREV Report this assigns the usage factor for each service as its price	For each relevant service: • Service usage factor = service price	Service usage factor = 200	Usage factor = 200
2	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • Weighted Usage Factor = $Service_{\chi}$ Usage Factor (Result from step 1) * ($Service_{\chi}$ Volume / Total Service Factored Volume	Service1 = 0.04% * (2m / 5m) ServicePIA = 0.12% * (1m / 5m)	Service1 = 0.016% ServicePIA = 0.024% $\sum$Service1...n = 100%

CP503

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	226.3G.2	This step then uses the mapping table to filter the services to be assigned allocation of CP503 based on price being the usage factor	Usage factor = service Price	Usage Factor = Service Price	Usage factor = 50
2	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • Weighted Usage Factor = Service$_X$ Usage Factor (Result from step 1) * (Service$_X$ Volume / Total Service Factored Volume	Service1 = 0.04% * (2m / 5m) ServicePIA = 0.12% * (1m / 5m)	Service1 = 0.016% ServicePIA = 0.024% ∑Service1...n = 100%

CT134

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	2.3B.1	This step calculates the Ethernet Access Locate volumes and adjusted Co-mingling volumes(co-mingling minus Ethernet Access Locate), for LLU Power Rentals only.	Ethernet Access Locate %= Access Locate % * Ethernet % For all relevant services: Part A: Service$_X$ Co-mingling Access Locate volumes = Ethernet Access Locate % * Service$_X$ Co-mingling Arc volumes Part B: Service$_X$ Adjusted Co-mingling volumes = Service$_X$ Co-mingling Arc volumes - Service$_X$ Co-mingling Access Locate volumes$_{(Results\ from\ part\ A)}$	Ethernet Access Locate % = 40% * 50% Part A: Service$_1$ Co-mingling Access Locate volumes = 20% * 100 Part B: Service$_1$ Adjusted Co-mingling volumes = 100 - 20	Ethernet Access Locate % = 20% Part A: Service$_1$ Co-mingling Access Locate volumes = 20 Part B: Service$_1$ Adjusted Co-mingling volumes = 80
2	22.3B.3	This step calculates the apportionment of co-mingling Access Locate volumes across the Ethernet Access Locate markets.	For all relevant services: • Service$_X$ Access Locate Market$_X$ volumes = Access Locate Market$_X$ % x Service$_X$ Co-mingling Access Locate volumes	Service$_1$ volumes = 50% x 20	Service$_1$ volumes = 10
3	22.3B.4	This step calculates usage factors by adjusted Co-mingling and Access Locate volumes as a proportion of total volumes by that service. Note: Total volumes include other non LLU Power Rentals subcategories.	For each relevant service: • Service$_X$ usage factor = (Service$_X$ Other Access Locate Market$_X$ volumes $_{(Result\ from\ step\ 1)}$ / Service$_X$ volumes) / 100	Service$_1$ usage factor = (80 / 10) / 100	Service$_1$ usage factor = 0.08
4	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • Weighted Usage Factor = Service$_X$ Usage Factor $_{(Result\ from\ step\ 2)}$ * (Service$_X$ Volume / Total Service Factored Volume)	Service$_1$ = 0.08 * (100 / 500)	Service$_1$ = 1.6% ∑Service$_{1...n}$ = 100%

CW609

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	228.3E.5	This step calculates volumes in circuits by dividing OR Raw volumes by Conversion of Local Ends to Cct, for each Service. OR Raw Volumes is obtained from Rental Volumes input. Conversion of Local Ends to Cct obtained from Ends per circuit".	For each relevant service: • Volumes = Service$_X$ OR Raw volumes / Service$_X$ Conversion of Local Ends to Cct	Service$_1$ = 150 / 500	Service$_1$ = 0.30
2	228.3E.5	This step calculates total fibres by multiplying Non-OSA (Open Systems Architecture) Fibres per circuit by Volumes in Circuits, for each relevant service. Values for Non-OSA Fibres per circuit are obtained from Fibre and Electronics Count per Circuit Input.	For each relevant service: • Total Fibres = Service$_X$ Non-OSA Fibres per circuit * Service$_X$ Volumes in Circuits $_{(Result\ from\ step\ 1)}$	Service$_1$ = 100 * 0.30	Service$_1$ = 33
3	228.3E.5	This step calculates total Fibres by multiplying Fibres x WECLA	For each relevant service: • Fibres x WECLA = Total Fibres	Service$_1$ = 33.0 *1	Service$_1$ = 33.0
4	228.3E.7	This step calculates the usage factor of services by dividing Fibres x WECLA by OR Raw volumes, which are obtained from Rental Volumes input.	For each relevant service: • Usage factor = Service$_X$ Fibres x WECLA $_{(Result\ from\ Step\ 3)}$ / Service$_X$ OR Raw volumes	Service$_1$ = 6.6 / 150	Service$_1$ = 0.04
5		This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • Percentage allocation = Service$_X$ Usage Factor $_{(Result\ from\ step\ 4)}$ * Service$_X$ Volume $_{(Result\ from\ step\ 1)}$ / Total Service Factored Volume	Service$_1$ = 0.04 * (150 / 800)	Service$_1$ = 0.75% ∑Service$_{1...n}$ = 100%

CW610

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	228.3E.5	This step calculates volumes in circuits by dividing OR Raw volumes by Conversion of Local Ends to Cct, for each Service. OR Raw Volumes is obtained from Rental Volumes input. Conversion of Local Ends to Cct obtained from Ends per circuit".	For each relevant service: • Volumes = Service$_\chi$ OR Raw volumes / Service$_\chi$ Conversion of Local Ends to Cct	Service$_1$ = 150 / 500	Service$_1$ = 0.30
2	228.3E.5	This step calculates total fibres by multiplying Non-OSA (Open Systems Architecture) Fibres per circuit by Volumes in Circuits, for each relevant service. Values for Non-OSA Fibres per circuit are obtained from Fibre and Electronics Count per Circuit Input.	For each relevant service: • Total Fibres = Service$_\chi$ Non-OSA Fibres per circuit * Service$_\chi$ Volumes in Circuits $_{\text{(Result from step 1)}}$	Service$_1$ = 100 * 0.30	Service$_1$ = 33
3	228.3E.5	This step calculates total Fibres by multiplying Fibres x WECLA	For each relevant service: • Fibres x WECLA = Total Fibres	Service$_1$ = 33.0 *1	Service$_1$ = 33.0
4	228.3E.7	This step calculates the usage factor of services by dividing Fibres x WECLA by OR Raw volumes, which are obtained from Rental Volumes input.	For each relevant service: • Usage factor = Service$_\chi$ Fibres x WECLA $_{\text{(Result from Step 3)}}$ / Service$_\chi$ OR Raw volumes	Service$_1$ = 6.6 / 150	Service$_1$ = 0.04
5		This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • Percentage allocation = Service$_\chi$ Usage Factor $_{\text{(Result from step 4)}}$ * Service$_\chi$ Volume $_{\text{(Result from step 1)}}$ / Total Service Factored Volume	Service$_1$ = 0.04 * (150 / 800)	Service$_1$ = 0.75% $\sum$Service$_{1...n}$ = 100%

CZ325

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	223.4B.1	This step applies the pole weighting (The weightings are based on the volume (either internal/external) against Ofcom's utilization factors from their WFTMR pricing model) for each poles service to each relevant poles service component as factor	Poles Service usage factor = weighting of poles service	Service usage factor = weighting	Usage factor = 0.23
2	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • Weighted Usage Factor = Serviceχ Usage Factor (Result from step 1) * (Serviceχ Volume / Total Service Factored Volume	Service1 = 0.04% * (2m / 5m) ServicePIA = 0.12% * (1m / 5m)	Service1 = 0.016% ServicePIA = 0.024% $\sum$Service1...n = 100%

CZ326

Please refer to the calculation steps for CZ325.

CZ331

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	224.3K.1	This step applies the pole weighting (The weightings are based on the volume (either internal/external) against Ofcoms utilisation factors from their WFTMR pricing model) for internal poles service to each relevant poles service component as factor	poles Service usage factor = weighting of poles service	Service usage factor = weighting	Usage factor = 0.23
2	224.3K.1	This step calculates the usage factor for external Poles services by dividing the pole weighting (The weightings are based on the volume (either internal/external) against Ofcoms utilisation factors from their WFTMR pricing model) for each external poles service against the service volumes	Usage factor = Weighting / volumes	Usage factor = 4.59/464252	Usage factor = 0.00001
2	CostPerform	This step calculates the percentage allocation based on service factored volumes.	For each relevant service: • Weighted Usage Factor = Serviceχ Usage Factor (Result from step 1) * (Serviceχ Volume / Total Service Factored Volume	Service1 = 0.04% * (2m / 5m) ServicePIA = 0.12% * (1m / 5m)	Service1 = 0.016% ServicePIA = 0.024% $\sum$Service1...n = 100%

CZ332

Please refer to the calculation steps for CZ331.

5.7 Revenue

5.7.1 Physical Infrastructure (PI) Market - External Revenue Only

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	77.3A.1	This step calculates group revenues and volumes for services, using products data obtained from ARC.	=[Product1ARCRevenue]+[Product2ARCRevenue]+...=[Service1ARCRevenue]=[Product1ARCVolume]+[Product2ARCVolume]+...=[Service1ARCVolume]=[ProductX1ARCRevenue]+[ProductX2ARCRevenue]+...=[ServiceXARCRevenue]=[ProductX1ARCVolume]+[ProductX2ARCVolume]+...=[ServiceXARCVolume]	=100 + 100 + ... = 1,000 = 25 +25 + ... = 75 = X1 ARC Revenue + X2 ARC Revenue + ... = XARC Revenue = X1 ARC Volume + X2 ARC Volume + ... = XARC Volume	= 1,000 [Service 1 ARC Revenue] = 75 [Service 1 ARC Volume] = XARC Revenue [Service X ARC Revenue] = XARC Volume [Service X ARC Volume]
2	77.3G.9	This step calculates the adjustment for revenue and volumes for all the PIA external services as the ARC data does not have sufficient granularity for PIA so we use billing data instead. Step A: • Calculates the volumes for each product using the revenue from the billing data and the price from the Openreach Pricelist as the billing data does not provide volumes, adjusting for period. Step B: • Allocates any products with revenue that do not have an official price a nominal volume of 1. For example, the product 'PIA Ancillary Charges' is made up of many different sub-products and prices and therefore there is no price reported in the billing data and hence we need to allocate a nominal volume of 1 to ensure the revenue for this product is captured in the RFS. Step C: • Maps each product in the PIA billing data to their appropriate service and calculates the revenue and volume for each service by summing the revenue and volume for relevant products. Step D: Posts the difference between the revenue and volume in ARC and what is calculated in step D for all external PIA services.	Step A: [Product 1 Volume] = ([Product 1 Revenue] / [Price from OR Pricelist for Product 1]) * Period ... Repeat for all products Step B: [Product 'PIA Ancillary Charges' Volume] = 1 Step C: [Service 1 Revenue] = [Product 1 Revenue] + [Product 2 Revenue] + ... Repeat for volumes and for all other external PIA services Step D: [Service 1 Revenue Adjustment] = [Service 1 Revenue]$_{\text{calculated in step C}}$ - [Service 1 ARC Revenue] ... Repeat for volumes and for all external PIA services	Step A: [Product 1 Volume] = (£30k / £30) * 12 = 12,000 Step B: [Product 2 Volume] = 1 Step C: [Service 1 Revenue] = £30k + £5k + ... = £50k Step D: [Service 1 Revenue Adjustment] = £50k - £25k = £25k	[Service 1 Revenue Adjustment] = £25k
3		For all remaining calculation steps please see calculation steps 12-27 on the WLA Revenue AMD page.			

5.7.2 Wholesale Local Access (WLA) Markets

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	77.3A.1	This step calculates group revenues and volumes for services, using products data obtained from ARC. A number of services have adjustments posted against them where granularity of ARC data is insufficient. These service codes are listed below, please refer to annex one of this AMD for service names associated with the codes presented.	= [Product 1 ARC Revenue] + [Product 2 ARC Revenue] + ... = [Service 1 ARC Revenue] = [Product 1 ARC Volume] + [Product 2 ARC Volume] + ... = [Service 1 ARC Volume] = [Product X1 ARC Revenue] + [Product X2 ARC Revenue] + ... = [Service X ARC Revenue] = [Product X1 ARC Volume] + [Product X2 ARC Volume] + ... = [Service X ARC Volume]	=100 + 100 + ... = 1,000 = 25 +25 + ... = 75 = X1 ARC Revenue + X2 ARC Revenue + ... = XARC Revenue = X1 ARC Volume + X2 ARC Volume + ... = XARC Volume	= 1,000 [Service 1 ARC Revenue] = 75 [Service 1 ARC Volume] = XARC Revenue [Service X ARC Revenue] = XARC Volume [Service X ARC Volume]
2	77.3B.1	This step calculates the adjustment for revenue and volumes for the tie cables services as the ARC data does not have granularity for Tie Cables so we use iCAT billing data instead. The 4 service codes are WE133, WX133, WI128 and WN128. Step A: Filters iCAT data for relevant tie cable related products for both services and sums the revenue and volumes. Step B: Posts the difference between the revenue and volume in ARC and the iCAT data for both the services.	WE133 used for example, but steps are thee same for all codes. Step A: • [WE133 Revenue] = [Product 1 iCAT Revenue] + [Product 2 iCAT Revenue] + ... • [WE133 Volume] = [Product 1 iCAT Volume] + [Product 2 iCAT Volume] + ... Step B: • [WE133 Revenue Adjustment] = [WE133 iCAT Revenue] - [WE133 ARC Revenue] • [WE133 Volume Adjustment] = [WE133 iCAT Volume] - [WE133 ARC Volume]	Step A: [WE133 iCAT Revenue] = £1m + £3m + ... = £12m [WE133 iCAT Volume] = 300k + 750k + ... = 5m Step B: [WE133 Revenue Adjustment] = £12m - £2m = £10m [WE133 Volume Adjustment] = 5m – 1m = 4m	[WE133 Revenue Adjustment] = £10m [WE133 Volume Adjustment] = 4m
3	77.3B.2	This step calculates revenues associated with external tie cable services. In ARC some co-mingling services (including services sold to Vodaphone) are pointed to internal tie cable services. For regulatory purposes these revenues need to be repointed to external co-mingling services (WE131, WX131, WE207, WX207, WE132, WX132) as these are external revenues managed by BT Wholesale. Step A: Identifies revenues for services WE131, WX131, WE207, WX207, WE132, WX132 using iCAT billing data. Step B: Splits co-mingling connection revenues (WE131 and WX131) proportionally from rentals (WE132 and WX132) using ARC data. Step C: Derives volumes from iCAT revenues using ARC prices. Step D: Calculates the adjustment relating to the tie cables revenues in ARC - any remaining variance from the tie cables adjustment to the iCAT billing data is posted to WE207 and WX207.	WE services (Area 2) used as example, but steps are identical for WX (Area 3) services. Step A: • [WE120 Revenue Adjustment] = [Product 1 iCAT Revenue] + [Product 2 iCAT Revenue] + ... • [WE132 iCAT Revenue] = [Product 3 iCAT Revenue] + [Product 4 iCAT Revenue] + ... • [WE207 iCAT Revenue] = [Product 3 iCAT Revenue] + [Product 4 iCAT Revenue] + ... Step B: • [WE131 % Weighting] = [WE131 ARC Revenue] / ([WE131 ARC Revenue] + [WE132 ARC Revenue]) • [WE132 % Weighting] = [WE132 ARC Revenue] / ([WE131 ARC Revenue] + [WE132 ARC Revenue]) • [WE131 Revenue Adjustment] = [WE131 % Weighting] * [WE132 iCAT Revenue]$_{\text{calculated in step A}}$ • [WE132 Revenue Adjustment] = [WE132 % Weighting] * [WE132 iCAT Revenue]$_{\text{calculated in step A}}$ Step C: • [WE120 Volume Adjustment] = [WE120 iCAT Revenue] / ([WE120 ARC Revenue] / [WE120 ARC Volume]) • [WE131 Volume Adjustment] = [WE131 Revenue Adjustment] / ([WE131 ARC Revenue] / [WE131 ARC Volume]) • [WE132 Volume Adjustment] = [WE132 Revenue Adjustment] / ([WE132 ARC Revenue] / [WE132 ARC Volume]) • [WE207 Volume Adjustment] = [WE207 iCAT Revenue] / ([WE207 ARC Revenue] / [WE207 ARC Volume]) Step D: • [WE207 Revenue Adjustment] = [WE207 iCAT Revenue]- [WE128 Revenue Adjustment]$_{\text{calculated in step B}}$ - [WE206 Revenue Adjustment]$_{\text{calculated in step B}}$ - [WE120 Revenue Adjustment] - [WE207 Revenue Adjustment] - [WE131 Revenue Adjustment] - [WE132 Revenue Adjustment]	Step A: [WE120 Revenue Adjustment] = £0.5m + £0.3m + ... = £4m [WE132 iCAT Revenue] = £0.2m + £0.4m + ... = £10m [WE207 iCAT Revenue] = £0.1m + £0.2m + ... = £1m Step B: [WE131 % Weighting] = £10m / (£10m + £40m) = 20% [WE132 % Weighting] = £40m / (£10m + £40m) = 80% [WE131 Revenue Adjustment] = 20% * £10m = £2m [WE132 Revenue Adjustment] = 80% * £10m = £8m Step C: [WE120 Volume Adjustment] = £4m / (£30m / 200m) = 27m [WE131 Volume Adjustment] = £2m / (£10m / 10k)= 2000 [WE132 Volume Adjustment] = £8m / (£40m / 20m) = 4m [WE207 Volume Adjustment] = £1m / (£33m / 1m) = 30,303 Step D: [WE207 Revenue Adjustment] = £1m - £12m - -£19m - £4m - £1m - £2m - £8m = -£7m	[WE120 Revenue Adjustment] = 4m [WE120 Volume Adjustment] = 27m [WE131 Revenue Adjustment] = £2m [WE131 Volume Adjustment] = 2,000 [WE132 Revenue Adjustment] = £8m [WE132 Volume Adjustment] = 4m [WE207 Revenue Adjustment] = -£7m [WE207 Volume Adjustment] = 30,303

#	Container Ref	Summary	Calculation	Worked Example	Example Results
4	77.3B.3	This step calculates the split of enhanced care revenue/volume between MPF and SMPF, using the iCAT data. The ARC data is initially mapped to WI234 and WN234 (depending on if Area 2 or Area 3), a proportion of this revenue and volume is repointed from WI234 and WN234 to WI236 and WN236based on the iCAT data. The difference between ARC and iCAT is posted to SK986. Step A: Identifies revenue and volume for services WI234 and WN234 and WI236 and WN236 iCAT billing data. Step B: Calculates total ARC revenue and volumes for Enhanced care. Step C: Calculates adjustment to WI234 and WN234 and WI236 and WN236 and remaining difference between ARC and iCAT is allocated to SK986.	Examples shown just using WI (Area 2) but steps are the same for WN services (Area 3) Step A: • [WI234 iCAT Revenue] = [MPF Product 1 iCAT Revenue] + [MPF Product 2 iCAT Revenue] + ... • [W234 iCAT Volume] = [MPF Product 1 iCAT Volume] + [MPF Product 2 iCAT Volume] + ... • [WI236 iCAT Revenue] = [SMPF Product 1 iCAT Revenue] + [SMPF Product 2 iCAT Revenue] + ... • [WI236 iCAT Volume] = [SMPF Product 1 iCAT Volume] + [SMPF Product 2 iCAT Volume] + ... Step B: • [Enhanced Care ARC Revenue] = [Enhanced Care Product 1 ARC Revenue] + [Enhanced Care Product 2 ARC Revenue] + ... • [Enhanced Care ARC Volume] = [Enhanced Care Product 1 ARC Volume] + [Enhanced Care Product 2 ARC Volume] + ... Step C: • [WI236 Revenue Adjustment] = $[WI236\ iCAT\ Revenue]_{calculated\ in\ step\ A}$ • [WI236 Volume Adjustment] = $[WI236\ iCAT\ Volume]_{calculated\ in\ step\ A}$ • [WI234 Revenue Adjustment] = $[WI234\ iCAT\ Revenue]_{calculated\ in\ step\ A}$ - $[Enhanced\ Care\ ARC\ Revenue]_{calculated\ in\ step\ B}$ • [WI234 Volume Adjustment] = $[WI234\ iCAT\ Volume]_{calculated\ in\ step\ A}$ - $[Enhanced\ Care\ ARC\ Volume]_{calculated\ in\ step\ B}$ • [SK986 Revenue Adjustment] = $[Enhanced\ Care\ ARC\ Revenue]_{calculated\ in\ step\ B}$ - $[WI234\ iCAT\ Revenue]_{calculated\ in\ step\ A}$ - $[WI236\ iCAT\ Revenue]_{calculated\ in\ step\ A}$ • [SK986 Volume Adjustment] = $[Enhanced\ Care\ ARC\ Volume]_{calculated\ in\ step\ B}$ - $[WI234\ iCAT\ Volume]_{calculated\ in\ step\ A}$ - $[WI236\ iCAT\ Volume]_{calculated\ in\ step\ A}$	Step A: [WI234 iCAT Revenue] = £3m + £1m + ... = £5m [WI234 iCAT Volume] = 0.2m + 0.3m + ... = 1m [WI236 iCAT Revenue] = £2m + £1.5m + ... = £5m [WI236 iCAT Volume] = 0.5m + 0.4m + ... = 2m Step B: [Enhanced Care ARC Revenue] = £4m + £2m + ... = £8m [Enhanced Care ARC Volume] = 1.5m + 0.4m + ... = 2.5m Step C: [WI236 Revenue Adjustment] = £5m [WI236 Volume Adjustment] = 1m [WI234 Revenue Adjustment] = £5m - £8m = -£3m [WI234 Volume Adjustment] = 2m - 2.5m = -0.5m [SK986 Revenue Adjustment] = £8m - £5m - £5m = -£2m [SK986 Volume Adjustment] = 2.5m - 1m - 2m = -0.5m	[WI236 Revenue Adjustment] = £5m [WI236 Volume Adjustment] = 1m [WI234 Revenue Adjustment] = -£3m [WI234 Volume Adjustment] = -0.5m [SK986 Revenue Adjustment] = -£2m [SK986 Volume Adjustment] = -0.5m
5	77.3B.10	This step calculates the internal volumes for 'MPF Rentals' as ARC does not have volumes for this product and therefore we use the average price from the Openreach (OR) Pricelist to calculate the volumes. Step A: Calculates the correct volume using the revenue from ARC and the price from the OR Pricelist. Step B: Posts the difference between the volume calculated in step A and ARC, including any other adjustments impacting this same service, as an adjustment to SL127.	Step A: • [Correct Volume] = [ARC Revenue for SL127] / [Price from OR Pricelist for 'MPF Rentals'] Step B: • [SL127 Volume Adjustment] = [Correct Volume]calculated in step A - [ARC Volume for SL127] - [Adjustment X impacting SL127 Volume] - [Adjustment Y impacting SL127 Volume] -...	Step A: [Correct Volume] = £15m / £10 = £1.5m Step B: [SL127 Volume Adjustment] = £1.5m - £0.1m - £0.1m - £0.2m - ... = -£0.5m	[SL127 Volume Adjustment] = -£0.5m

#	Container Ref	Summary	Calculation	Worked Example	Example Results
6	77.3B.13	This step calculates the 'Bandwidth Modification' split between the different services as the ARC data does not split this product between the different speeds and all is allocated to WI309, WN309, WE329 and WX329. This amount is split between 40/10 and other speeds and this proportion is calculated using the revenue for the relevant services. Step A: Calculates the internal and external 40/10M speed connection revenue proportion over total connections revenue. Step B: Splits the FTTC/FTTP internal and external 'Bandwidth Modification' revenue and volume between the relevant services using the split percentages calculated in step A.	Area 2 example codes used (WI and WE) but same process for Area 3 (WN and WX). Step A: • [Internal % Split] = [Sum of revenue for all Internal 40/10 Connection Services] / ([Sum of revenue for all Internal 40/10 Connection Services] + [Sum of revenue for all Internal Non-40/10 Connection Services]) • [External % Split] = [Sum of revenue for all External 40/10 Connection Services] / ([Sum of revenue for all Internal 40/10 Connection Services] + [Sum of revenue for all External Non-40/10 Connection Services]) Step B: FTTC/FTTP Internal Bandwidth Modification • [WI309 Revenue Adjustment] = -[FTTC/FTTP Internal Bandwidth Modification ARC Revenue] * [Internal % Split]$_{\text{calculated in step A}}$ • [WI309 Volume Adjustment] = -[FTTC/FTTP Internal Bandwidth Modification ARC Volume] * [Internal % Split]$_{\text{calculated in step A}}$ • [WI323 Revenue Adjustment] = -[WI309 Revenue Adjustment] • [WI323 Volume Adjustment] = -[WI309 Volume Adjustment] FTTC/FTTP External Bandwidth Modification • [WE319 Revenue Adjustment] = -[FTTC/FTTP External Bandwidth Modification ARC Revenue] * [External % Split]$_{\text{calculated in step A}}$ • [WE319 Volume Adjustment] = -[FTTC/FTTP External Bandwidth Modification ARC Volume] * [External % Split]$_{\text{calculated in step A}}$ • [WE330 Revenue Adjustment] = -[SL319 Revenue Adjustment] • [WE330 Volume Adjustment] = -[SL319 Volume Adjustment]	Step A: [Internal % Split] = (£3m + £25m + ...) / ((£3m + £25m + ...) + (£6m + £30m + ...)) = 40% [External % Split] = (£2m + £20m + ...) / ((£2m + £20m + ...) + (£1m + £15m + ...)) = 50% Step B: FTTC/FTTP Internal Bandwidth Modification [WI309 Revenue Adjustment] = -£3m * 40% = -£1.2m [WI309 Volume Adjustment] = -500k * 40% = -200k [WI323 Revenue Adjustment] = -(-£1.2m) = £1.2m [WI323 Volume Adjustment] = -(-200k) = 200k FTTC/FTTP External Bandwidth Modification [WE319 Revenue Adjustment] = -£2m * 50% = -£1m [WE319 Volume Adjustment] = -300k * 50% = -150k [WE330 Revenue Adjustment] = -(-£1m) = £1m [WE330 Volume Adjustment] = -(-150k) = 150k	FTTC/FTTP Internal Bandwidth Modification [WI309 Revenue Adjustment] = -£1.2m [WI309 Volume Adjustment] = -200k [WI323 Revenue Adjustment] = £1.2m [WI323 Volume Adjustment] = 200k FTTC/FTTP External Bandwidth Modification [WE319 Revenue Adjustment] = -£1m [WE319 Volume Adjustment] = -150k [WE330 Revenue Adjustment] = £1m [WE330 Volume Adjustment] = 150k
7	77.3B.15	This step calculates the volume for the products 'MPF Rental with SL1' and 'MPF Amends and Cancellations' as ARC does not have volumes for these products and therefore we use the average price from the Openreach (OR) Pricelist to calculate the volumes. Step A: Calculates the correct volume for SL346 ('MPF Rental with SL1'), SL175 and SL176 ('MPF Amends and Cancellations') using revenue from ARC and the price from the OR Pricelist. Step B: Posts the difference between the volume calculated in step A and ARC as an adjustment to services.	Step A: • [Service1 Correct Volume] = [ARC Revenue for Service1] / [Price from OR Pricelist for Product1] Step B: • [Service1 Volume Adjustment] = [Service1 Correct Volume]$_{\text{calculated in step A}}$ - [ARC Volume for Service 1] Repeat steps for all services and products.	Step A: [Service1 Correct Volume] = £1.5m / £5 = 300k Step B: [Service1 Volume Adjustment] = 300k - 250k = 50k	[Service1 Volume Adjustment] = 50k

#	Container Ref	Summary	Calculation	Worked Example	Example Results
8	77.3B.17	This step calculates the split for GEA 40/10M FTTP between transition and non-transition as the ARC data does not have this level of detail. The billing data is used to differentiate between transition and non-transition which is done by identifying the different rental charges attached to the service. Step A: Calculates the FTTP Transitions Product Connections for each month of the year. Step B: Calculates the FTTP Transitions Product Connections % for each month of the year. Step C: Calculates the FTTP 40/10M TP Connections for each month of the year. Step D: Calculates the Transition percentage. Step E: Calculates the revenue adjustment. Step F: Calculates the volume adjustment.	Step A: • [FTTP Transitions Product Connections for Jan] = [FTTP Connections for Jan] - [FVA Connections for Jan] • … Calculate FTTP Transitions Product Connections for each month of the year Step B: • [FTTP Transitions Product Connection % for Jan] = [FTTP Transitions Product Connections for Jan]$_{\text{calculated in step A}}$ / [FTTP Connections for Jan] • … Calculate FTTP Transitions Product Connections % for each month of the year Step C: • [FTTP 40/10 TP Connections for Jan] = [FTTP Transitions Product Connection % for Jan]$_{\text{calculated in step B}}$ * [FTTP 40/10 Connections for Jan] • … Calculate FTTP 40/10 TP Connections for each month of the year Step D: • [Transition %] = ([FTTP 40/10 TP Connections for Jan] + [FTTP 40/10 TP Connections for Feb] + …) / ([FTTP 40/10 Connections for Jan] + [FTTP 40/10 Connections for Feb] + …) Step E: • [SL307 Revenue Adjustment] = ([SL307 ARC Revenue] * [Transition %]) - [SL307 ARC Revenue] • [SL317 Revenue Adjustment] = ([SL317 ARC Revenue] * [Transition %]) - [SL317 ARC Revenue] • [SL344 Revenue Adjustment] = -[SL307 Revenue Adjustment] • [SL345 Revenue Adjustment] = -[SL317 Revenue Adjustment] Step F: • [SL307 Volume Adjustment] = (([SL307 ARC Revenue] * [Transition %]) / [Average Price]) - [SL307 ARC Volume] • … Repeat for all 4 services	Step A: [FTTP Transitions Product Connections for Jan] = 50k - 10k = 40k Step B: [FTTP Transitions Product Connection % for Jan] = 40k / 50k = 80% Step C: [FTTP 40/10 TP Connections for Jan] = 80% * 100 = 80 Step D: [Transition %] = (80 + 60 + …) / (100 + 90 + …) = 90% Step E: [SL307 Revenue Adjustment] = (£2m * 90%) - £2m = -£0.2m [SL317 Revenue Adjustment] = (£20k * 90%) - £20k = -£2k [SL344 Revenue Adjustment] = -(-£0.2m) [SL345 Revenue Adjustment] = -(-£2k) Step F: [SL307 Volume Adjustment] = ((£2m * 90%) / 100) - 20k = -2k	[SL307 Revenue Adjustment] = -£0.2m [SL317 Revenue Adjustment] = -£2k [SL344 Revenue Adjustment] = £0.2m [SL345 Revenue Adjustment] = £2k [SL307 Volume Adjustment] = -2k
9	77.3B.18	The step calculates the volume for a number of products as ARC does not have volumes for them and therefore we use the average price from the Openreach (OR) Pricelist to calculate the volumes. Step A: Calculates the correct volume for each service using revenue from ARC and the price from the OR Pricelist. Step B: Posts the difference between volume calculated in step A and ARC as an adjustment to each service.	Step A: • [SL177 Correct Volume] = [ARC Revenue for SL177] / [Price from OR Pricelist for product 'MPF Amend/Cancellations'] • …. Repeat for all other services Step B: • [SL177 Volume Adjustment] = [SL177 Correct Volume]$_{\text{calculated in step A}}$ - [ARC Volume for SL177] • …. Repeat for all other services	Step A: [SL177 Correct Volume] = £10k / £5 = 2k Step B: [SL177 Volume Adjustment] = 2k - 1k = 1k	[SL177 Volume Adjustment] = 1k
10	77.3B.19	This step calculates the split for the product "FTTP Connections Discount" using the billing data as it contains both 40/10M and other speeds in the ARC data, which needs to be separated for RFS purposes. All the revenue for this product is mapped to WI306 and WN306 so we need to identify how much is related to 40/10M bandwidth speed and move that revenue to WI307 and WN307. WI relates to Area 2 and WN relates to Area 3. Step A: Identifies FTTP 40/10M discount amount from the billing data and remove this revenue from WI306 and WN306 and put into WI307 and WN306.	Steps below shown for WI (Area 2) but are the same for WN (Area 3). Step A: • [WI306 Revenue Adjustment] = [FTTP 40/10M Discount] • [WI307 Revenue Adjustment] = -[FTTP 40/10M Discount]	Step A: [WI306 Revenue Adjustment] = £700k [WI307 Revenue Adjustment] = -£700k	[WI306 Revenue Adjustment] = £700k [WI307 Revenue Adjustment] = -£700k

#	Container Ref	Summary	Calculation	Worked Example	Example Results
11	77.3G.7	This step removes any cancellation volumes for LLU and WLR as it is deemed to attract no cost. Step A: Calculates the total cancellation volumes for each relevant service per ARC. Step B: Posts the the volume for each service calculated above as a negative adjustment.	Step A: • [Service 1 Total Cancellation Volume] = [Product 1 ARC Cancellation Volume] + [Product 2 ARC Cancellation Volume] + ... • ... Repeat for all relevant services Step B: • [Service 1 Volume Adjustment] = -[Service 1 Total Cancellation Volume]$_{\text{calculated in Step A}}$ • ... Repeat for all relevant services	Step A: [Service 1 Total Cancellation Volume] = 100k + 20k + ... = 300k Step B: [Service 1 Volume Adjustment] = -300k	[Service 1 Volume Adjustment] = -300k
12	77.3H.1	This step calculates the IFRS15 deferred revenue adjustment. Step A: Calculates the IFRS 15 revenue adjustment for each service as the difference between the ARC revenue and the IFRS15 Revenue for that service.	Step A: • [Service 1 Revenue Adjustment] = [Service 1 IFRS Revenue] - [Service 1 ARC Revenue] • ... Repeat for all services	Step A: [Service 1 Revenue Adjustment] = £30m - £10m = £20m	[Service 1 Revenue Adjustment] = £20m
13	77.3H.2	This step allocates a nominal volume of 1 for IFRS15 services which have no ARC volume. Step A: Assigns a volume of 1 to a number of services that have IFRS 15 revenue and no ARC volume.	Step A: • [Service 1 Volume Adjustment] = [Service 1 IFRS 15 Volume] - [Service 1 ARC Volume] • ... Repeat for all relevant services	Step A: [Service 1 Volume Adjustment] = 1 - 0 = 1	[Service 1 Volume Adjustment] = 1
14	77.3H.3	The step splits the Ethernet IFRS 15 adjustment to all the different geographical locations. This is required because the entire Ethernet IFRS 15 adjustment calculated in step 24 is allocated to only the 'BT-Only' Market, which needs to be split between the different geographical locations within the Ethernet Market. Step A: Calculates the allocation percentage for each market based on their revenue for each relevant adjustment. Step B: Splits the IFRS 15 adjustment between the different markets using the allocation percentage calculated in step A above.	Step A: • [Allocation % for Service 1] = [Revenue for Service 1] / ([Revenue for Service 1] + [Revenue for Service 2] + ...) • ... Repeat for all relevant ethernet market services Step B: • [Service 1 Revenue Adjustment] = [Allocation % for Service 1] * [Revenue Adjustment from Step 16] • ... Repeat for all relevant Ethernet IFRS 15 adjustments calculated in calculation step 16.	Step A: [Allocation % for Service 1] = £100k / (£100k + £300k + ...) = £100k / £1m = 10% Step B: [Service 1 Revenue Adjustment] = 10% * 500k = £50k	[Service 1 Revenue Adjustment] = £50k
15	77.3J.1	This step calculates the Access Locate volume and revenue for LLA and IEC services - Accommodation Charges by splitting out the volume/revenue from the connection service (WE131 and WX131)), rental service (WE132 and WX132), power service (WE120 and WX120) and the other service (WE207 and WX207)). WE relates to Area 2 and WX relates to Area 3. Step A: Calculates the percentage split between WLA and Ethernet revenue. Step B: Calculates the percentage split between the different geographical locations within the Ethernet Market using total volumes. Step C: Calculates the revenue and volume allocation to each of the LLA and IEC Accommodation services.	Area 2 (WE) service codes used as example, but same process is following for Area 3. Step A: • [Ethernet Market % Split] = [Total Ethernet Revenue] / ([Total Ethernet Revenue] + [Total WLA Revenue]) Step B: • [Access - BT Only % Split] = [Total volume for Access - BT Only] / [Total Ethernet Volume] • .... Repeat for all other Ethernet geographical locations Step C: • [Service 1 Revenue adjustment] = [WE131 Revenue] * [Access Locate %] * [Ethernet Market % Split] * [Access - BT Only % Split] • [WE131 Revenue adjustment] = -[Service 1 Revenue adjustment] - [Service 2 Revenue adjustment] - ... • ... Repeat for all other Ethernet geographical locations for each service.	Step A: [Ethernet Market % Split] = £25m / (£25m + £75m) = 25% Step B: [Access - BT Only % Split] = 5m / 10m = 50% Step C: [Service 1 Revenue adjustment] = £10m * 30% * 25% * 50% = £0.4m [WE131 Revenue adjustment] = -£0.4m - £0.2m - ... = -£1m	[Service 1 Revenue adjustment] = £0.4m [WE131 Revenue adjustment] = -£1m
16	77.3I.2	Calculation steps 14-21 calculates the Service Level Guarantees (SLGs) for each market as ARC does not allocate these to all the markets correctly. Therefore the below steps are required to calculate and allocate the total SLGs correctly to each market. This step calculates the internal and external proportions per market by taking the post-adjustment ARC revenue.	Step A: • [Market 1 Internal %] = [Market 1 Internal Revenue] / ([Market 1 Internal Revenue] + [Market 1 External Revenue]) • [Market 1 External %] = [Market 1 External Revenue] / ([Market 1 Internal Revenue] + [Market 1 External Revenue]) • ...Repeat for all Markets	Step A: [Market 1 Internal %] = £20m / (£20m + £80m) = 20% [Market 1 External %] = £80m / (£20m + £80m) = 80%	[Market 1 Internal %] = 20% [Market 1 External %] = 80%

#	Container Ref	Summary	Calculation	Worked Example	Example Results
17	77.3I.4	This step calculates the total revised SLG balance using the results from calculation step 28.	Step A: • [Total Revised SLG] = [Market 1 Internal/External %]$_{\text{calculated in calculation step 20}}$ * [Market %] * ([SLG for GL1] + [SLG for GL2] + ...) • ... Repeat for all SLG GL lines	Step A: [Total Revised SLG] = 20% * 25% * (£15m + £10m + ...) = 20% * 25% * £100m = £5m	[Total Revised SLG] = £5m
18	77.3I.5	This step calculates the Dark Fibre SLGs revenue. Step A: Calculates the percentage of total SLG revenue over the total Ethernet revenue. Step B: Calculates the Dark Fibre SLG amount by multiplying the percentage calculated above with the total Dark Fibre revenue .	Step A: • [SLG over Ethernet %] = ([SLG for GL1] + [SLG for GL2] + ...) / ([Total ARC Revenue]+[Ethernet revenue adjustment]) Step B: • [Dark Fibre SLG] = [SLG over Ethernet %] * [Total Dark Fibre Revenue]	Step A: [SLG over Ethernet %] = (£15m + £10m + ...) / £10,000m = £100m / £10,000m = 1% Step B: [Dark Fibre SLG] = 1% * £100k = £1k	[Dark Fibre SLG] = £1k
19	77.3I.6	This step maps SLG compensation data with revised GL SLGs and applies the market split. WLA Market Only: SLG Revenue for Components in WLA Market equal the total revised SLG revenue for the corresponding plant group. CL607 Only: SLG Revenue for CL607 equals the total revised SLG revenue for PG607B (which is the corresponding Plant Group for this component) multiplied by the SLG compensation for PG607B divided by the total SLG compensation for all SLG Plant Groups in the WLR market. Then you minus the dark fibre SLG amount calculated in calculation step 30 above to give you the SLG revenue for CL607B All other Components: SLG Revenue for all other components equals the total revised SLG revenue for the corresponding Plant Group for each component multiplied by the SLG compensation for this Plant Group divided by the total SLG compensation for all SLG Plant Groups in the same market.	WLA Market Only: • [SLG Revenue for Component 1] = [Total Revised SLG for Plant Group 1] CL607 Only: • [SLG Revenue for CL607] = [Total Revised SLG for PG607B] * ([SLG Compensation for PG607B] / ([SLG Compensation for PG607B] + [SLG Compensation for PG 1 in WLR Market] + ...)) - [Dark Fibre SLG]$_{\text{calculated in calculation step 22}}$ All other Components: • [SLG Revenue for Component 2] = [Total Revised SLG for PG 2] * ([SLG Compensation for PG2] / ([SLG Compensation for PG2] + [SLG Compensation for PG 3 in Market] + ...))	WLA Market Only: [SLG Revenue for Component 1] = £30m CL607 Only: [SLG Revenue for CL607] = £20m * (£15m / (£15m + £10m + ...)) - £1k = £20m * (£15m / £30m) - £1k = £10m All other Components: [SLG Revenue for Component 2] = £5m * (£1m / (£1m + £4m + ...)) = £5m * (£1m / £10m) = £0.5m	WLA Market Only: [SLG Revenue for Component 1] = £30m CL607 Only: [SLG Revenue for CL607] = £10m All other Components: [SLG Revenue for Component 2] = £0.5m
20	77.3I.7	This step calculates the final revised SLG balance for each market split by internal and external revenue. Step A: Calculates revised/adjusted volumes by service from ARC, with component/service mapping for SLGs. Step B: Calculates the SLG apportionment to the relevant services for each component using the adjusted ARC volumes. Step C: Sums the results for each market, split by internal and external, from step B above.	Step A: For Mainlink Rentals Services: • [Adjusted volume for Service 1] = [ARC Volume for Service 1] + [Total of all Volume adjustments to Service 1 from above calculation steps] / [ML Rentals Adjustment] * [Period] / 12 For all other Rentals Services: • [Adjusted volume for Service 2] = [ARC Volume for Service 2] + [Total of all Volume adjustments to Service 2 from above calculation steps] / [Period] For all Connection Services: • [Adjusted volume for Service 3] = [ARC Volume for Service 3] + [Total of all Volume adjustments to Service 3 from above calculation steps] Step B: [SLG Allocation for Service 1] = -[Adjusted volume for Service 1] / [Total Volume for Component 1] * [SLG Revenue for Component 1]$_{\text{calculated in calculation step 23}}$ Step C: [Internal SLG Revenue for Market 1] = [SLG Allocation for Service 1] + [SLG Allocation for Service 2] + ...	Step A: For Mainlink Rentals Services: [Adjusted volume for Service 1] = (9m + 1m) / 10k * 12 / 12 = 10m / 10k * 1 = 1k For all other rentals Services: [Adjusted volume for Service 2] = 15m + 9m / 12 = 24m / 12 = 2m For all connection Services: [Adjusted volume for Service 3] = 10m + 5m = 15m Step B: [SLG Allocation for Service 1] = -1k / 100k * £30m = -£300k Step C: [Internal SLG Revenue for Market 1] = -£300k + -£500k + ... = -£2m	[Internal SLG Revenue for Market 1] = -£2m
21	77.3I.8	This step calculates the SLG adjustment required. Step A: Calculates the SLG revenue adjustment for each service as the difference between the ARC revenue and the final revised SLG balance calculated in step 35.	Step A: • [Service 1 Revenue Adjustment] = [Internal SLG Revenue for Market 1] - [Service 1 ARC Revenue] • ... Repeat for all relevant services	Step A: [Service 1 Revenue Adjustment] = -£2m - -£5m = £3m	[Service 1 Revenue Adjustment] = £3m
22	77.3A.1	This step consolidates all adjustments and adds it to the ARC data for each service calculated in step 1. Step A: Adds the revenue and volume adjustments for each relevant service.	Step A: • [Service 1 Revenue] = [Service 1 ARC Revenue] + [Service 1 Revenue Adjustment] + ... • ... Repeat for volumes and for all other services.	Step A: [Service 1 Revenue] = £1000 + £500 + ... = £4k	[Service 1 Revenue] = £4k

#	Container Ref	Summary	Calculation	Worked Example	Example Results
23	77.3A.4	Adjust volumes for the period and, for ML Rentals only, the Rental Charge. Period assumed to be 9 for this example.	= [Connection Service 1 Volume] x 12 / [Period] = [Adjusted Service 1 Volume] = [Rentals Service 2 Volume] / [Period] = [Adjusted Service 2 Volume] = [ML Rentals Service 3 Volume] / [Rental Charge] x [Period] / 12 = [Adjusted Service 3 Volume] = [Connection Service X Volume] = [Adjusted Service X Volume] = [Rentals Service Y Volume] / [Period] = [Adjusted Service Y Volume] = [ML Rentals Service Z Volume] / [Rental Charge] x [Period] / 12 = [Adjusted Service Z Volume]	= 75 x 12 / 9 = 100 = 900 / 9 = 100 = 1,600,000 / 12,000 x 9 / 12 = 100 = XConnection = XAdj Volume = YRentals / 9 = YAdj Volume = ZML Rentals / 12,000 x 9 / 12 = ZAdj Volume	= 100 [Adjusted Service 1 Volume] = 100 [Adjusted Service 2 Volume] = 100 [Adjusted Service 3 Volume] = XAdj Volume [Adjusted Service X Volume] = YAdj Volume [Adjusted Service Y Volume] = ZAdj Volume [Adjusted Service Z Volume]
24	77.3A.5	Derive Revenue from Price and Volumes. This applies to all services.	=[Service1Revenue] = [AdjustedService1Volume] * [Service1Price] =[ServiceXRevenue] = [AdjustedServiceXVolume] * [ServiceXPrice]	=1,000=100*10 =XRevenue=XAdjVolume*XPrice	=100[Service1Revenue] =XPrice[ServiceXRevenue]
25	77a.3I.1	Calculate WLA area 2 and area 3 proportions from data inputs from business, mapping proportions to appropriate services and filtering of WLA only services. Business data splits Area 2 and 3 volumes by internal/external and published product.	Step A: • [Total volume product 1]=[Product 1 area 2] + [Product 1 area 3] Step B: • [Area 2 proportions product 1] = [Product 1 area 2] / [Total volume product 1] • [Area 3 proportions product 1] = [Product 1 area 3] / [Total volume product 1]	Step A: [Total volume product 1]=10 + 20 Step B: [Area 2 proportions product 1] = 10 / 30 [Area 3 proportions product 1] = 20 / 30	Step A: [Total volume product 1]= 30 Step B: [Area 2 proportions product 1] = 33% [Area 3 proportions product 1] = 67%
26	77.3A.8	Adjusting price for services with volumes of zero or one that have revenue.	[Revised price] = [final revenue] = !0 and [volumes] = 1 [Revised volume] = 1 where [final revenue] = !0 and [volumes] = 1	[revised price] =100 where [final revenue] = 100 and [volumes] = 1 [revised volume] = 1 where [final revenue] = 100 and [volume] = 1	[SS377 price] = 100 [SS377 volume] = 1
27	77.3A.9	Step A: Calculating revised volumes and revenue for FTTP 40/10 Rentals, charge control vs non charge control Step B: Calculating revised volumes through multiplying area 2 and 3 proportions with existing volumes	Step A: • Charge controlled service volumes = non charge controlled service volumes * % of volumes with No FTTC Available flag Step B: • [Product 1 area 2 revised volumes] = [product 1 volumes]*[proportion product 1 area 2] • [Product 1 area 3 revised volumes] = [product 1 volumes]*[proportion product 1 area 3]	Step A: Charge controlled service volumes = 100 * 25% Step B: [Product 1 area 2 revised volumes] = 100 * 33% [Product 1 area 3 revised volumes] = 100 * 67%	Step A: Charge controlled service volumes = 25 Non charge controlled service volumes = 75 Step B: [SL172 Revenue adjustment] = -£500k [SL172 Volume adjustment] = -£1k [SL201 Revenue adjustment] = -£700k [SL201 Volume adjustment] = -£3k [SK986 Revenue adjustment] = £1.2m [Sk986 Volume adjustment] = £4k

5.7.3 Leased Lines Access and Inter-exchange Connectivity Markets

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	227.3A.3	This step identifies the Optical products (OSA/OSEA) and calculates a Proportion Factor showing the share of the total Optical products volume being allocated to each Market.	Step A: • [Proportion Factor for Market 1] = [Market 1 Volumes] / [Total Volumes] • Repeat for all markets	Step A: [Proportion Factor for Market 1] = 100/1000 = 0.10	IEC BT Only Proportion Factor = 0.10
2	227.3A.4	This step allocates OSA/OSEA Misc Items volumes into markets by applying the Proportion Factor calculated above, for both the Internal Northern Ireland volumes and Great Britain + External Northern Ireland volumes.	Step A: • [Monthly Service Volumes (NI Excl) Product 1 Month 1 Market 1] = [Monthly Service Volumes (NI Excl) Product 1 Month 1] * [Proportion Factor for Market 1] • Repeat for all products, months, and markets Step B: • [Internal Northern Ireland Volumes Product 1 Month 1 Market 1] = [Internal Northern Ireland Volumes Product 1 Month 1] * [Proportion Factor for Market 1] • Repeat for all products, months, and markets	Step A: [Monthly Service Volumes (NI Excl) Product 1 Month 1 Market 1] = 100 * 0.1 = 10 Step B: [Internal Northern Ireland Volumes Product 1 Month 1 Market 1] = 50 * 0.05 = 2.5	[Monthly Service Volumes (NI Excl) Product 1 Month 1 Market 1] = 10 [Internal Northern Ireland Volumes Product 1 Month 1 Market 1] = 2.5
3	227.3A.7	This step calculates the Connections Revenue and combines the monthly volumes data by product with the monthly price data to determine the total monthly revenue by product and market.	Step A: • [Revenue] = [Monthly Service Volumes (NI Excl) Product 1 Month 1 Market 1] $_{\text{calculated in step 2}}$ * [Product 1 Month 1 Price] • Repeat for all products and months Step B: • [NI Internal Revenue] = [Internal Northern Ireland Volumes Product 1 Month 1 Market 1] $_{\text{calculated in step 2}}$ * [Product 1 Month 1 Price] • Repeat for all products and months	Step A: [Revenue] = 100 * 15 = 1,500 Step B: [NI Internal Revenue] = 4 * 15 = 60	[Revenue] = 1,500 [NI Internal Revenue] = 60
4	2273B.6	This step calculates the Rentals Revenue and combines the monthly volumes data by product with the monthly price data to determine the total monthly revenue by product and market.	Step A: • [Rental Revenue] = [GB+Ext NI Rental Volumes Product 1 Month 1 Market 1] * [Product 1 Month 1 Price] • Repeat for all products and months Step B: • [NI Internal Rental Revenue] = [Int NI Rental Volumes Product 1 Month 1 Market 1] * [Product 1 Month 1 Price] • Repeat for all products and months	Step A: [Rental Revenue] = 1000 * 5 = 5,000 Step B: [NI Internal Rental Revenue] = 25 * 5 = 125	[Rental Revenue] = 5,000 [NI Internal Rental Revenue] = 125
5	227.3C.2	This step calculates the total Main Link Revenue for each product for each month in each market, and splits this for Internal Northern Ireland volumes and for the rest of the UK.	Step A: • [Main Link Revenue Product 1 Month 1 Market 1] = [Main Link Distance Product 1 Month 1 Market 1] * [Main Link Price per Metre Product 1 Month 1] • Repeat for all products, months and markets Step B: • [GB+Ext NI ML Revenue Product 1 Month 1 Market 1] = [Main Link Revenue Product 1 Month 1 Market 1] $_{\text{calculated in step A}}$ * [GB+Ext NI Rental Volumes Product 1 Month 1 Market 1] / ([GB+Ext NI Rental Volumes Product 1 Month 1 Market 1] + [Int NI Rental Volumes Product 1 Month 1 Market 1]) • Repeat for all products, months and markets Step C: • [Int NI ML Revenue Product 1 Month 1 Market 1] = [Main Link Revenue Product 1 Month 1 Market 1] $_{\text{calculated in step A}}$ * [Int NI Rental Volumes Product 1 Month 1 Market 1] / ([GB+Ext NI Rental Volumes Product 1 Month 1 Market 1] + [Int NI Rental Volumes Product 1 Month 1 Market 1]) • Repeat for all products, months and markets	Step A: [Main Link Revenue Product 1 Month 1 Market 1] = 10,000 * 0.05 = 50 Step B: [GB+Ext NI ML Revenue Product 1 Month 1 Market 1] = 50 * 90 / 100 = 45 Step C: [Int NI ML Revenue Product 1 Month 1 Market 1] = 50 * 10 / 100 = 5	[Main Link Revenue Product 1 Month 1 Market 1] = 50 [GB+Ext NI ML Revenue Product 1 Month 1 Market 1] = 45 [Int NI ML Revenue Product 1 Month 1 Market 1] = 5
6	227.3D.3	This step maps the revenue and volume for each of the products which are calculated in the above calculation steps to a service code for both non-NI internal and NI internal. Additionally, it calculates an additional change to the final Connection and Rental volume values based on input factors. Step A: Maps each of the connection, rental and ML rental products to their appropriate service code. Step B: Multiplies the total connection adjusted volumes by the connection factor to get the final connection volume for each product. Step C: Multiplies the total rental adjusted volumes by the rental factor to get the final rental volume for each product.	Step B: • [Product 1 Final Connection Volume for Market 1] = [Product 1 Adjusted Connection Volume for Market 1] * [Connection Factor for Product 1] • … Repeat for all markets and products Step C: • [Product 1 Final Rental Volume for Market 1] = [Product 1 Adjusted Rental Volume for Market 1] * [Rental Factor for Product 1] • … Repeat for all markets and products	Step B: [Product 1 Final Connection Volume for Market 1] = 30 * 2 = 60 Step C: [Product 1 Final Rental Volume for Market 1] = 23.5 *2 = 47	[Product 1 Final Connection Volume for Market 1] = 60 [Product 1 Final Rental Volume for Market 1] = 47

#	Container Ref	Summary	Calculation	Worked Example	Example Results
7	227.3D.4	This step calculates the total connection, rental and ML rental revenue and volume for both non-NI internal and NI internal for each service by grouping all the relevant products that are mapped to the service. Also, calculates the sum of NI Connection, NI rental and ML rental revenues. Step A: Calculates the total connection, rental, ML rental revenue and volume for both non-NI internal and NI internal for each service. Step B: Calculates all NI internal revenue by summing the NI internal connection revenue, NI internal rental revenue and NI internal ML revenue. This is also done for NI internal volumes.	Step A: • [Service 1 Connection revenue] = [Product 1 Month 1 Final Connection Volume for Market 1] + [Product 1 Month 2 Final Connection Volume for Market 1] + ... • ... Repeat for all services, types of revenue and volumes. Step B: • [Service 1 All NI Internal Revenue] = [Service 1 Connection Internal NI Revenue] + [Service 1 Rental Internal NI Revenue] + [Service 1 Main Link Internal NI Revenue] • ... Repeat for all services and volumes	Step A: [Service 1 Connection revenue] = £60 + £50 + ... = £500k Step B: [Service 1 All NI Internal Revenue] = £2k + £3k + £5k = £10k	[Service 1 Connection revenue] = £500k [Service 1 All NI Internal Revenue] = £10k
8	227.3E.1	This step allocates the discounts to the relevant services by proportioning the discount by the relative size of each market in each set of services. Step A: Calculates the total revenue for all the services that are impacted by Flexzone discounts and redistributed price offers. Step B: Calculates the allocation of the discount to each of the services using the results from step B.	Step A: • [Total Revenue for services impacted by Flexzone Discount 1] = [Service 1] +[Service 2] + ... • ... Repeat for all discount types Step B: • [Service 1 Discount allocation] = [Flexzone Discount 1] * ([Service 1 Revenue] / [Total Revenue for services impacted by Flexzone Discount 1]$_{\text{calculated in step A}}$) • ... Repeat for all services	Step A: [Total Revenue for services impacted by Flexzone Discount 1] = £100k +£200k + ... = £1m Step B: [Service 1 Discount allocation] = £250k * (£100k / £1m) = £250k * £0.1 = £25k	[Flexzone Discount allocation] = £1m [Service 1 Discount allocation] = £25k
9	227.3E.2	This step identifies Cancelations, Early Terminations and Resites from ARC, which does not split the data between the different markets. This step then splits these amounts and then allocates the revenue to the appropriate services. Step A: Sums the revenue for all products related to Cancelations, Early Terminations and Resites from the ARC data. Step B: Calculates the connections and rental revenue for each market using the results from the earlier calculation steps. Step C: Calculates the total connections and rental revenue, using the results from step B. Step D: Allocates the revenue for Cancelations, Early Terminations and Resites from step A to all the different markets using the results from step B and C. Step E: Sums the results for Cancelations, Early Terminations and Resites from step E for each market. Step F: Allocates the totals from step F to each of the relevant services.	Step A: • [Total Cancelations ARC Revenue] = [Cancellation Product 1 Revenue] + [Cancellation Product 2 Revenue] + ... • ... Repeat for Early Terminations and Resites Step B: • [Total Connections Revenue for Market 1] = [Product 1 Market 1 Connections Revenue] + [Product 2 Market 1 Connections Revenue] + ... • ... Repeat for all markets and for rental revenues Step C: • [Total Connections Revenue] = [Total Connections Revenue for Market 1] + [Total Connections Revenue for Market 2] + ... • ... Repeat for total rental revenue Step D: • [Cancellation Revenue for Market 1] = [Total Cancelations ARC Revenue]$_{\text{calculated in step A}}$ * ([Total Connections Revenue for Market 1]$_{\text{calculated in step B}}$ / [Total Connections Revenue]$_{\text{calculated in step C}}$ • ... Repeat for all markets and Resites • [Early Termination Revenue for Market 1] = [Total Early Terminations ARC Revenue]$_{\text{calculated in step A}}$ * ([Total Rental Revenue for Market 1]$_{\text{calculated in step B}}$ / [Total Rental Revenue]$_{\text{calculated in step C}}$ • ... Repeat for all markets Step E: • [Total Exempt Ancillary Services Revenue for Market 1] = [Cancellation Revenue for Market 1] + [Resites Revenue for Market 1] + [Early Termination Revenue for Market 1] • ... Repeat for all markets. Step F: • [SS180 Revenue] = [Total Exempt Ancillary Services Revenue for Market 1] • ... Repeat for all services	Step A: [Total Cancelations ARC Revenue] = £100 + £200 + ... = £5m Step B: [Total Connections Revenue for Market 1] = £1k + £2k + ... = £35m Step C: [Total Connections Revenue] = £35m + £30m + ... = £75m Step D: [Cancellation Revenue for Market 1] = £5m * (£37.5m / £75m) = £2.5m [Early Termination Revenue for Market 1] = £10m * (£20m / £40m) = £5m Step E: [Total Exempt Ancillary Services Revenue for Market 1] = £2.5m + £1m + £5m = £8.5m Step F: [SS180 Revenue] = £8.5m	[SS180 Revenue] = £8.5m

#	Container Ref	Summary	Calculation	Worked Example	Example Results
10	227.3E.3	This step identifies Excess Construction Charges (ECCs) and Time Related Charges (TRCs) from ARC, which does not split the data between markets. These values are therefore split using the calculations below: Step A: Calculates the rental revenue for each "Access" market, using the data from step 11. Step B: Calculates the total rental revenue for all "Access" markets, using the results from step A. Step C: Calculates the % ratio for the rental revenue for each "Access" market over the total rental revenue for all "Access" markets, using the results from step A and B. Step D: Allocate the total revenue for ECCS and TRCs calculated in step A to each of the relevant services, using the ratios calculated in step C.	Step A: • [Total Rental Revenue for Market 1] = [Product 1 Market 1 Rental Revenue] + [Product 2 Market 1 Rental Revenue] + ... • ...Repeat for all markets Step B: • [Total "Access" Rental Revenue] = [Total Rental Revenue for Market 1] + [Total Rental Revenue for Market 2] + ... Step C: • [Market 1 % Ratio] = [Total Rental Revenue for Market 1]$_{\text{calculated in step A}}$ / [Total "Access" Rental Revenue]$_{\text{calculated in step B}}$ • ... Repeat for all "Access" markets Step D: • [Service 1 Revenue] = [Total Rental Revenue for Market 1]$_{\text{calculated in step A}}$ * [Market 1 % Ratio]$_{\text{calculated in step C}}$ • ... Repeat for all relevant services	Step A: [Total Rental Revenue for Market 1] = £10m + £5m + ... = £100m Step B: [Total "Access" Rental Revenue] = £100m + £50m + ... = £400m Step C: [Market 1 % Ratio] = £100m / £400m = 25% Step D: [Service 1 Revenue] = £10m * 25% = £2.5m	[Service 1Revenue] = £2.5m
11	77.3A.11	This step sets patch panels and initial testing dark fibre services prices to nil as there is no revenue for these services	Step A: • [Service Description] contain 'Patch Panels' = Price to be 0 Step B: • [Service Description] contain 'Initial Testing' = Price to be 0	Step A: [Service Description] contain 'Patch Panels' = Price £0 Step B: [Service Description] contain 'Initial Testing' = Price £0	

#	Container Ref	Summary	Calculation	Worked Example	Example Results
12	77.3G.3	There is no revenue/price for initial testing, so this price is set to 0.	Step A: • [Total Rental Revenue for Market 1] = [Product 1 Market 1 Rental Revenue] + [Product 2 Market 1 Rental Revenue] + ... • ... Repeat for all markets Step B: • [Total Rental Revenue] = [Total Rental Revenue for Market 1] + [Total Rental Revenue for Market 2] + ... Step C: • [Ethernet Split % for Market 1] = [Total Rental Revenue for Market 1]$_{\text{calculated in step A}}$ / [Total Rental Revenue]$_{\text{calculated in step B}}$ • ... Repeat for all markets Step D: • [Total Project Services Revenue per Billing Data] = [Project Services Revenue for Market 1 per Billing Data] + [Project Services Revenue for Market 2 per Billing Data] + ... Step E: • [Total Project Services Revenue per ARC Data] = [Project Services Revenue for SK970 per ARC Data] + [Project Services Revenue for SK971 per ARC Data] Step F: Ethernet Services • [SS187 Revised Revenue] = [Project Services Revenue for Ethernet market per Billing Data] / [Total Project Services Revenue per Billing Data]$_{\text{calculated in step D}}$ * [Ethernet Split % for Market 1]$_{\text{calculated in step C}}$ * [Total Project Services Revenue per ARC Data]$_{\text{calculated in step E}}$ • ... Repeat for all Ethernet Project Services related services Other Project Services services • [SL970 Revised Revenue] = [Project Services Revenue for WLR market per Billing Data] / [Total Project Services Revenue per Billing Data]$_{\text{calculated in step D}}$ * [Total Project Services Revenue per ARC Data]$_{\text{calculated in step E}}$ • ... Repeat for all non-Ethernet Project Services services Step G: • [Total Revised Revenue] = [Service 1 Revised Revenue]$_{\text{calculated in step F}}$ + [Service 2 Revised Revenue]$_{\text{calculated in step F}}$ + ... Step H: • [SS187 Revised Volume] = [SS187 Revised Revenue]$_{\text{calculated in step F}}$ / [Total Revised Revenue]$_{\text{calculated in step G}}$ • ... Repeat for all Project Services services Step I: • [SS187 Revenue Adjustment] = [SS187 Revised Revenue]$_{\text{calculated in step F}}$ - [SS187 ARC Revenue] • ... Repeat for volume and for all Project Services services	Step A: [Total Rental Revenue for Market 1] = £10m + £5m + ... = £150m Step B: [Total Rental Revenue] = £150m + £50m + ... = £300m Step C: [Ethernet Split % for Market 1] = £150m / £300m = 50% Step D: [Total Project Services Revenue per Billing Data] = £1m + £2m = £10m Step E: [Total Project Services Revenue per ARC Data] = £5m + £15m = £20m Step F: Ethernet Services [SS187 Revised Revenue] = £5m / £10m * 50% * £20m = £5m Other Project Services services [SL970 Revised Revenue] = £1m / £10m * £20m = £2m Step G: [Total Revised Revenue] = £6m + £2m + ... = £20m Step H: [SS187 Revised Volume] = £5m / £20m = 0.25 Step I: [SS187 Revenue Adjustment] = £5m - £1m = £4m	[SS187 Revenue Adjustment] = £4m
13	77.3X.1	This step adjusts the revenue for all Ethernet services in ARC with what has been calculated as the final revenue and volume in the calculation steps above. In addition, it ensures that that volume for ECCs and TRCs is 1. Step A: Posts the difference between the revenue and volume in ARC and what is calculated in the calculation steps above for each Ethernet service, except for the volumes for ECC and TRC services as this is calculated separately in step B below. Northern Ireland revenues and volumes are excluded from the total balances. A balancing revenue adjustment is also posted to SK986. Step B: Ensures that the volume for all ECCs and TRCs is 1.	Step A: • [SS100 Revenue Adjustment] = [SS100 Final Revenue] - [SS100 ARC Revenue] • ... • Repeat for volume and for all Ethernet services (except for the volumes for ECC and TRC services as this is calculated separately in step B below) Step B: [SS183 Volume Adjustment] = 1 - [SS183 ARC Volume]	Step A: [SS100 Revenue Adjustment] = £2m - £1.5m = £0.5m Step B: [SS183 Volume Adjustment] = 1 - 500 = -499	[SS100 Revenue Adjustment] = £0.5m [SS183 Volume Adjustment] = -499
14		For all remaining calculation steps please see calculation steps 14-21 on the WLA Revenue AMD page.			

5.7.6 IP Connection

IP Revenue

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	232.3.1: IP Interconnection Summary	This step joins all the charges together from the billing system. There is no charge for regulated port volumes so only the volumes are taken into account.	Price = Revenue/Volume	Price =10000/20	Price = 500

IP Cost

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	232.3.2: IP Interconnection Summary	This step multiplies the average costs with the volumes from the billing system	Total Cost = Average Cost x Volumes	Total Cost = 100 x 20	Total Costs = 2,000

6. Physical Infrastructure Access Recharge

#	Container Ref	Summary	Calculation	Worked Example	Example Results
1	18.4D.2	This step inputs the split of Access Duct GRC into legacy Duct PGs for Fibre, Copper, Backhaul and and Core.	Further detail available in Section 7 of the AMD.		
2	64.3F.1 -	This step inputs the Openreach closing GRC balances for LDD, CJD and LFD COWs, split between FTTC and FTTP.	Further detail available in Steps 1-3 of BDUK CCA Adjustments section of the AMD		
3	223.3S.1	This step apportions costs between the legacy duct PGs, in line with the GRC of each PG, and the methodology detailed in the Overview above.	PG_x % GRC = PG_x GRC / Total Duct GRC	PG_1 % GRC = £200k / £1,000k	PG_1 % GRC = 20%
4	223.3S.1	This step calculates the Revised PG % GRC for PGs with factors (E Side Copper Cable, FTTC/FTTP Fibre Rollout Spend), to reflect duct that is attributed to tie cables between the street cabinet (which does not form part of the Physical Infrastructure Market). The PG % GRC is multiplied by the PG BDUK Factor to determine the Revised PG % GRC.	Revised PG_x % GRC = PG_x % GRC * PG_x BDUK Factor	Revised PG_1 % GRC = 20% * 0.95	Revised PG_1 % GRC = 19%
5	223.3S.1	The step calculates the adjustment required to the remaining PGs (those without factors) % GRC in order for the allocation percentages to sum to 100%.	Allocation Total = GRC % / Allocation Section A * Total % Change	Adjustment Required = 100% - 98%	Adjustment Required = 2%
6	223.3S.1	This step calculates the Revised PG_x % GRC for the remaining PGs without factors. The total adjustment required is allocated across the remaining PGs using their relative PG % GRC.	Revised PGx % GRC = PGx % GRC + ((PGx % GRC / Total non-factored PG % GRC) * Adjustment Required) - (PGx % GRC - Change of Revised PGx % GRC)	Revised PG_2 % GRC = 16% + ((16% / 80%) * 2%)	Revised PG_2 % GRC = 16.4%
7	223.3S.2	This step calculates the apportionment of costs between the legacy duct PGs, excluding Backhaul and Inner Core. The GRC of each PG is calculated as a proportion of total GRC.	PG_x % GRC = PG_x GRC / Total Duct GRC (excl Backhaul and Inner Core)	PG_3 % GRC = £200k / £1,000k	PG_3 % GRC = 20%
8	223.3S.2	This step calculates the Revised PG % RAV GRC for the E Side Copper Cable PG. The PG % GRC is multiplied by the PG BDUK Factor to determine the Revised PG % RAV GRC.	Revised PG_x % RAV GRC = PG_x % GRC * PG_x BDUK Factor	Revised PG_3 % RAV GRC = 20% * 0.95	Revised PG_3 % RAV GRC = 19%
9	223.3S.2	The step calculates the adjustment required to the remaining PGs (those without factors) % GRC in order for the allocation percentages to sum to 100%.	Total Adjustment Required = 100 - Total Adjusted % GRC	Adjustment Required = 100% - 86.5%	Adjustment Required = 13.5%
10	223.3S.2	This step calculates the Revised PG_x % RAV GRC for the remaining PGs without factors. The total adjustment required is allocated across the remaining PGs using their relative PG % GRC.	Revised PGx % RAV GRC = PGx % GRC + ((PGx % GRC / Total non-factored PG % GRC) * Adjustment Required) - (PGx % GRC - Change of Revised PGx % RAV GRC)	Revised PG_4 % RAV GRC = 19% + (1% -0.5%)	Revised PG_4 % RAV GRC = 19.5%
11	223.3S.3	This step calculates the apportionment of costs between the legacy poles Fibre Allocations. The GRC of each Fibre Allocation is calculated as a proportion of total GRC.	Fibre $Allocation_x$ % Poles GRC = Fibre $Allocation_x$ Poles GRC / Total Poles GRC	Fibre $Allocation_1$ % Poles GRC = £20k / £500k	Fibre $Allocation_1$ % Poles GRC = 4%
12	223.3S.3	This step calculates Revised PG % Poles GRC for LFDC/LFSC Non-BDUK Fibre Allocations. The Fibre Allocation % Poles GRC is allocated to PGs based on relative Access Fibre base %s.	PG_x % Poles GRC = Fibre $Allocation_x$ % Poles GRC * (PG_x Base / Total Fibre $Allocation_x$ Base)	PG_5 % Poles GRC = 4% * (5 / 20)	PG_5 % Poles GRC = 1%
13	223.3S.3	This step calculates Revised PG % Poles GRC for LDC, LFDC/LFSC - BCMR, and NWR & NWB Fibre Allocations. The Fibre Allocation % Poles GRC is allocated directly to the relevant PGs.	PG_x % Poles GRC = Fibre $Allocation_x$ % Poles GRC	PG_6 % Poles GRC = 10%	PG_6 % Poles GRC = 10%
14	223.3S.3	This step calculates Revised PG % Poles GRC for LFDC/LFSC BDUK Fibre Allocations. The Fibre Allocation % Poles GRC is allocated to PGs based on the FTTP (PG990A) / FTTC (PG999A) split.	PG_x % Poles GRC = Fibre $Allocation_x$ % Poles GRC * FTTC Split	PG_7 % Poles GRC = 5% * 0.95	PG_7 % Poles GRC = 4.75%
15	CostPerform	This step apportions the volume of duct or poles, in line with the GRC proportion of the PG.	Volume per legacy PG_x = duct/pole volume * PG_x % of GRC (Result from step 1a-3d)	Volume per legacy PG_1 = 2,000 * 19%	Volume per legacy PG_1 = 380
16	CostPerform	This step allocates the volumes from legacy PGs to components.	Component volumes = Volume per legacy PG (Result from step 4) * Component proportion from PG_x	Component volumes = 380 * 50%	Component volumes = 190
17	CostPerform	This step allocates volumes from components to services using factored volumes. For guidance on factored volumes please see 5.5 Component layer overview - L801	Service volumes = Component volumes(Result from step 5) * $Service_x$ factored volume %	Service volumes = 190 * 50%	Service volumes = 95
18	CostPerform	This step provides total volume for all services	Total service volumes = sum of all service volumes (Result from step 6) Service volume proportion= $Service_x$ / total service volumes (Result from above)	Total service volumes = 10 + 20 + 30 + 40 Service volume proportion = 20 / 100	Total service volumes = 100 Service volume proportion = 20%
19	CostPerform	This step allocates FAC.	FAC per service = Service volume proportion (Result from step 7) * FAC for PIA $Service_x$	FAC per service = 20% * £100m	FAC per service = £20m

Glossary

Term	Definition / Description
ABC	Activity Based Costing - a costing method that recognises the relationship between costs, activities and products/services, and through this relationship, assigns overhead and indirect costs to related products and services in a less arbitrary manner than traditional methods.
Access copper	The copper cables in the access network, as well as all other necessary equipment required to carry signals between the user and the exchange.
Access fibre	The spine and distribution cables, as well as all other necessary equipment required to connect the end-user and the exchange.
Access Network	Split between exchange (E-side) and distribution side (DSide) copper cable, for Regulatory Accounting purposes.
Accounting adjustment journal	Required where the RFS demands an asset is either recognised or derecognised. Typically these are recognised against funds or the P&L and will create profit.
Allocation adjustment journal	Required where the data held in the underlying ledger does not have the granularity to allocate to apply a rule or base. Typically, these journals will not alter overall profit for BT Group.
ARA	Annual Report & Accounts.
ARC	Actual Reporting Cube.
ASU	Advance Service Units.
AG	Activity Group.
Allocation	Costs which can be directly associated with activities or type of equipment and do not require apportionment.
Apportionment	Costs which cannot be directly associated with specific activities and Plant Groups, and require apportionment. Example: for network costs, this process makes extensive use of engineering data reflecting not only each Plant Group type (e.g. local lines, transmission equipment) but also the type of technology (e.g. metal and fibre local lines, PDH and SDH transmission equipment).
Apportionment workflows	Models that include various data inputs and calculations, to determine the apportionment outputs.
AS	Accounting Separation.
Attribution	A general term encompassing both allocation and apportionment.
AVC	Abortive Visit Charge - charge applied where an appointment is agreed for work at an End User's Site and the engineer arrives within the appointment slot but is unable to carry out the work at, or gain access to, the End User Site.
BCMR	Business Connectivity Market Review.
BDUK	Broadband delivery UK - grant funding is received from the Department of Culture Media and Sport in relation to BDUK.
Bearers	End to end circuits, usually ending at a customer's premise.
BES	Backhaul Extension Service.
BTL	Bulk Transport Link.
CC	Cost Centre
CCA	Current Cost Accounting.
Capital employed	Mean total assets less current liabilities, excluding corporate taxes, dividends payable, and provisions other than those for deferred taxation.
Capital expenditure	The value of capital employed during the year, presented per class of asset and often further split by CoW.
CFU	Customer Facing Unit.
CLA	Copper Line Access.
Core nodes	Core Nodes are a special type of Metro Node where there is a mesh or net of transmission between them. Most Core nodes are connected to all other Core Nodes.
Core transmission	The core transmission is used to link exchanges and includes SDH, PDH, cables and repeaters.
CP	CostPerform - Cost allocation system.
CPs	Communication providers.
CPDSL	Circuit Provision - Asymmetric Digital Subscriber line CoW.

Term	Definition / Description
CoW	Class of work.
CISBO	Contemporary Interface Symmetric Broadband Origination.
CISL	Common Intelligence Service Layer.
CTCS	Core Transmission Circuit costing System.
Cumulo	Cumulo is a Business Rate (i.e. non domestic) paid by BT on its rateable network assets. These relate to the use of public land for assets such as duct, poles, fibre & copper lines and also specialised equipment in exchange buildings. All assets are assessed together, hence the term Cumulo.
CY	Current year.
D - Side	Distribution side cable - the cable linking the primary cross connection point to the distribution point.
DFX	Dark fibre inter-exchange.
Division	The top level 'operational unit codes' for each CFU / CU are referred to as Divisions.
DSL	Digital Subscriber Line.
DSLAM	Digital subscriber line access multiplexer.
Duct	Duct is a pipe, tube or conduit through which underground cables are passed.
E - Side	Exchange side cable - the cable linking the local exchange to the primary cross connection point.
EAD	Ethernet Access Direct - provides point-to-point data connectivity between sites. It can be used to build and extend customer networks, develop new infrastructure, and meet low-capacity backhaul requirements (i.e. up to 1Gb, which is the starting bandwidth for Ethernet Backhaul Direct) and supports a range of requirements including cloud computing, simultaneous online pupil access in classrooms and storage area network connectivity.
ECC	Excess construction charges.
EBD	Ethernet Backhaul Direct.
EIPB	Engineering and Infrastructure Build Plan.
ETG	Engineering & Technical Grade.
FTE	Full time equivalent - a unit measure for employees based on standard contract hours of one full work day.
FTTC	Fibre to the Cabinet - a type of Super-Fast broadband using a full fibre optic connection from exchange to the cabinet.
FTTP	Fibre to the Premises - a type of Super-Fast broadband using a full fibre optic connection from exchange to the premises.
GBV	Gross book value - Total capital employed to date, presented per class of asset and further split by CoW and Policy Code.
GEA	Generic Ethernet Access - a business broadband connection which uses Ethernet Fibre.
GFA	Grant Funded Assets.
GL	General ledger.
GRC	Gross replacement cost - Current purchase price of an identical new asset, primarily used to expediting provisioning for new assets.
HCA	Historical Cost Accounting.
HR	Human Resources.
IEC	Interconnect Extension Circuits.
IFRS	International Financial Reporting Standards.
IN	Intelligent Network.
INS	Inertial Navigation System.
IP	Intelligent Peripherals.
ISDN	Integrated Services Digital Network.
ISI	In span Interconnect - the joint provision of an Interconnect Link, with the provision of an ISI Interconnect Link and 2Mbit/s ISI Interconnect Links.
IPNC	Internet Protocol Network Capital.
LDC	Construction, Local Distribution Cable.
LDD	Construction, Local Distribution Duct for Copper Cable.
LE	Local Exchanges.

Term	Definition / Description
LFSC	CoW for Construction, Local Line OF Spine Cable.
LFME	Construction, Local Network Service Module Equipment CoW.
LFDC	CoW for Construction, Local Line OF Distribution.
LLU	Local Loop Unbundling - this enables other communication providers (OCP) to use BT's local loop to provide services to customers.
LLUMS	Local Loop Unbundling Management System.
LopList	Life of Plant List.
MCE	Mean Capital Employed
MDF	Main Distribution Frame - interface between the exchange side cables and the exchange switching equipment.
MDX	Main Network Switching Digital - digital exchanges providing certain functions to digital traffic e.g. setting up and clearing down calls, switching traffic and signalling to other exchanges and subscribers.
Mean	Arithmetic average of the start and end values for the period.
Metro Nodes	Metro Nodes switch traffic and contain the intelligence to direct its path. All traffic will traverse the Metro Node to some degree whether it falls into the category of Voice, Broadband or Connectivity.
MPF	Metallic Path Facility - A copper line connecting the end-user premises to a CPs)handover distribution frame within BT's exchange.
MSAN	Multi service access nodes - provide customer access into the network for Voice, Broadband and some Connectivity via line-cards and the traffic generated is sent to Metro Nodes for switching. This can be via other MSANs.
NBV	Net book value - Primarily used for the apportionment of bases and PGs which contain assets and are not impacted by CCA.
Network adjustment costs	Allocations are based on costs relating to changes to existing physical infrastructure for network accessibility, referred to as ' Network Adjustments'.
NGA	Next Generation Access, an umbrella name for Fibre Optical technologies FTTC and FTTP.
NGS	Next Generation Switch - a newer form of switch. There are two types: one using traditional circuit switching technology; the other a hybrid using Asynchronous Transfer Mode packet switching technology.
NRC	Net Replacement Cost - Apportioned based on the NRC of different assets impacted by CCA adjustments.
NRMS	Network Routing Management System.
NTE	Network Terminal Equipment.
OA	Operator Assistance.
OC	Operational Centre.
OCPs	Other Communication Providers.
OR	Openreach.
ORBIT	Operational Range Build Information Tool.
OSA	Open Systems Architecture.
OSS	Operational Support Systems.
OUC	Organisational Unit Codes.
PAC	Previously Allocated Costs - defined as follows: Current pay, Non-Pay Costs, Current Depreciation on BT Group Fixed Assets and ROCE associated with total BT Group Assets and BT Group Net Current Assets.
PC	Profit Centre
PC	Private Circuits - provide a dedicated point-to-point connection for exclusive voice and data communications between two sites. They utilise bearers and line systems which consist of electronics and interconnecting cable.
PCP	Primary Collect Processor.
PDH	Plesiochronous Digital Hierarchy.
PG	Plant Group.
PIA	Physical Infrastructure Access

Term	Definition / Description
PIA component costs	Apportioned based on the average unit costs of PIA (e.g. ducts, poles, manholes) in the network.
PIA component volumes	Apportioned based on volumes of PIA components, such as ducts and poles, in units (e.g. manholes) and distance (e.g. duct).
PIMR	Physical Infrastructure Access Market Review.
PoPs	Point of Presences.
PPC	Partial Private Circuit
PSTN	Public Switched Telephone Network
PY	Prior Year.
RAV	Regulatory asset value.
RAV	Rateable asset value - Apportionment is based on rateable network assets within BT's network, for the purpose of allocating Cumulo property tax charges and liabilities.
Relevant costs	Include all costs, revenues, assets and liabilities recorded in the general ledger.
RFS	Regulatory Financial Statements.
ROCE	Return on Capital Employed.
RoU	Right of use - term relating to assets and subsequent liabilities associated with lease reporting under IFRS16.
SBP	Share Based Payment.
SDH	Synchronous Digital Hierarchy.
SFI	Special Fault Investigations.
SGA	Selling, general and administrative.
SLA	Service level agreements - part of commercial contracts outlining supplier’s commitment to provide services to an agreed quality.
SLG	Service level guarantees - set out compensation the customer would be entitled to if the quality of service set out in the SLA is not met.
SMP	Significant Market Power.
SMPF	Shared Metallic Path Facility - line sharing, allowing broadband services to be offered over copper cables if another provider is handling that customer’s phone calls.
Spine Access Network	The network between the local exchange and a BT Aggregation node.
TAMS	Test Access Matrices - installed between MDFs and DSLAMs and used to provide remote access facilities on broadband circuits for testing local exchanges.
TRC	Time Related Charges.
UF	Usage Factor.
WACC	Weighted Average Cost of Capital. The WACC of the relevant market is applied to the MCE of a given service to represent an acceptable rate of return generated on providing that service.
WCR	Wholesale Customer Reports.
WECLA	West, East and Central London Area.
WES	Wholesale Extension Services.
WDM	Wavelength Division Multiplexing.
WLA	Wholesale Local Access.
WLR	Wholesale Line Rental.
YTD	Year to date.