



Description of Cost Accounting System (DOCAS):

**Representing the Primary and Secondary Accounting Statements
Together with Wholesale and Retail Catalogues**

**KCOM's NEW REGULATORY COSTING MODEL
18th December 2018**

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1. Glossary

General

ABC	Activity-based Costing
Access Network	The part of the network extending from exchange building to customer premises
AM	Apportionment Methodology
APS	KCOM's billing system
CCA	Current Cost Accounting
Core Network	The part of the network connecting exchange buildings
DOCAS	Description of Cost Accounting System
EYE	East Yorkshire Expansion area – geographic areas of KCOM's network operated by the HEY Business Segment but which are not in the geographic area covered by the OLA
FAR	Fixed Asset Register
FTE	Full-time equivalent
FTTH	Fibre-to-the-Home
GL	General Ledger
HEY	Hull and East Yorkshire – a financial reporting segment used by KCOM
Hull Area	The geographic area in which Ofcom has found KCOM to have SMP and for which it is required to prepare RFS – also referred to as the OLA
IP	Internet Protocol - a general term for the technologies that use the Internet Protocol's standards for transmitting data
KCOM	KCOM Group PLC
New RFS Model	The ABC model used by KCOM to prepare the RFS from 2018 (including restated 2017 results) onwards
NGA	Next Generation Access
OLA	Original Licensed Area - the geographic area in which Ofcom has found KCOM to have SMP and for which it is required to prepare RFS – also referred to as the Hull Area
Old RFS Model	The ABC model used by KCOM to prepare the RFS prior to 2018
RFS	Regulatory Financial Statements
RFS Markets	Those markets which KCOM is required to report on in the RFS under its regulatory financial reporting obligations
RRG	Regulatory Reporting Group
SDH	Synchronous Digital Hierarchy - a standard technology for synchronous data transmission on optical media
SG&A	Sales, general and administrative expenses
SMB	Small, Medium Businesses
SMP	Significant Market Power
TDM	Time division multiplexing (TDM) – a technology for transmitting multiple digital signals over a common channel
TSO	KCOM's Technology, Service and Operations cost centres
WACC	Weighted average cost of capital

Abbreviations used in KCOM's RFS Model

AM	Apportionment Methodology
GFS	Group Financial Services
OH	Overhead
NC	Network Component
NP	Network Product
NOC	Network Operating Cost
OOS BS	Out of Scope Balance Sheet
OOS IS	Out of Scope Income Statement
PA	Primary Assets
PG	Plant Group
SA	Support Assets
SC	Support Costs

2. Introduction

Regulatory requirements

KCOM Group PLC (“KCOM”), has been classified by Ofcom as a telecommunications operator with Significant Market Power (‘SMP’) in certain telecommunications markets in the Hull area represented by the geographic area of KCOM’s original licensed area (“OLA”) (the “Hull Area”).

In accordance with Ofcom’s conditions and directions relating to its SMP findings, KCOM is required to prepare financial statements (the Regulatory Financial Statements’ or “RFS”) setting out, *inter alia*, its financial performance in certain of those markets which KCOM has been found to have SMP.

KCOM is required to prepare Regulatory Financial statements for those markets in the Hull Area shown in Table 1 (the ‘RFS Markets’).

Table 1 – RFS Markets for which KCOM financial reporting obligations

Wholesale
Analogue exchange line services
ISDN2
ISDN 30 exchange line services
Call origination on fixed public narrowband networks
Asymmetric broadband origination
Traditional interface symmetric broadband origination, at bandwidths up to and including 8Mbit/s (‘TISBO’)
Contemporary interface symmetric broadband origination (‘CISBO’)

This Description of Cost Accounting System (‘DOCAS’) describes the basis on which the RFS have been prepared.

The remainder of the documents is set out as follows:

- **Section 3: KCOM’s Organisational Structure and Financial Accounting system** describes the organisational structure of KCOM and how that relates to the preparation of the RFS in relation to KCOM’s activities in the Hull Area.
- **Section 4: Accounting Separation Framework** describes the basis on which the RFS have been prepared.
- **Section 5: RFS Model Design** sets out the overall design principles of the RFS activity-based costing model used to prepare the RFS.
- **Section 6: Activity-Based Costing Model** describes KCOM’s activity-based costing model.
- **Section 7: Cost Apportionment Methodologies** provides details of how costs are apportioned in the RFS Model.
- **Section 8: CCA Valuation Methodology** explains the basis on which CCA asset values and associated costs are calculated.

- **Section 9: Revenues and Transfer Charges** provides details of how revenues and transfer charges reported in the RFS are calculated.
- **Section 10: Preparation of RFS** provides details of how the outputs of the ABC model are presented in the RFS.

The respective wholesale markets contain fully allocated costs, revenues, assets and liabilities relating to services provided to other licensed telecommunications operators or similar services provided to KCOM's retail business units. Network charges to other operators and KCOM's own retail business are based on their consumption of bundles of network elements (known as "components") in network services. The CCA cost of components is based on fully allocated costs of components including a cost of capital. This cost of capital has been determined by Ofcom to be 13.0%.

KCOM's 'New' RFS Model

In 2017, KCOM began a project to build a new regulatory costing model – the 'New RFS Model'.

This DOCAS is based on the New RFS Model.

The project to update the Old RFS Model was driven by several factors including:

- The age of the existing model (the 'Old RFS Model') which dated back to 2004 and which was constructed to focus on the main regulatory services at the time – interconnection.
- The Old RFS Model had been extensively modified and was becoming increasingly difficult to maintain.
- The Old RFS Model had not been fully modified to reflect recent changes in network design and services (and the new Next Generation (NGA) Fibre-to-the-Home (FTTH) network in particular).
- The Old RFS Model had not been updated to reflect recent changes in organisational structure of the KCOM Group.
- The Old RFS Model needed to be updated to incorporate recent Ofcom regulatory requirements relating to new cost components.
- KCOM introduced a new accounting system, including general ledger and fixed asset register in 2015. The new accounting system introduced a new general ledger and fixed asset coding structure. However, the RFS model was not updated to incorporate data direct from the new accounting system. Instead the Trial Balance from the new system was mapped back onto the old codes which remained in use in the exiting model. This approach was becomingly increasingly difficult to apply as KCOM changed its organisational structure, network architecture and types of service offered. For example, the model relied on allocations to old codes based on fixed proportions of costs from previous years. These fixed proportions were less reliable over time as more changes occurred to KCOM's business.

KCOM's new RFS Model includes many changes to the Old RFS Model reflecting *inter alia*:

- Changes to KCOM's organisational structure.
- KCOM's current general ledger and fixed asset register coding.
- An updated set of fixed asset categories and network cost components based on KCOM's current network.
- New cost attribution methodologies based on available non-financial and financial data.
- Inclusion of NGA FTTH services.
- A new approach to calculating CCA asset values.

The extent of changes to the format and structure of the RFS Models means that it is not practicable, or meaningful, to prepare a reconciliation showing the impact of each change.

2016/17 Prior Year Values

The new costing model used to prepare the 2017/18 RFS (the "2017/18 Model") was also used to prepare the 2016/17 prior year values shown in the 2017/18 RFS (the "2016/17 Model").

The refinement of the 2017/18 Model required a small number of changes compared to the 2016/17 Model. These changes were necessary to align the allocation of overhead corporate costs in the RFS to the cost recharging methodologies used in KCOM's management accounts and annual report. Other changes were needed to reflect changes in KCOM's organisational structure.

In addition, during the course of the review and audit of the 2017/18 RFS, a small number of inconsistencies were identified in the 2016/17 cost model which have been corrected for in the 2017/18 Model. A high-level reconciliation indicated that adjusting the 2016/17 model would have increased costs allocated to reported wholesale markets in 2016/17 by approximately £2-3m. The 2016/17 Model has not updated to address these inconsistencies.

3. KCOM's Organisational Structure and Financial Accounting System

KCOM Group PLC operates as a group of companies, and its annual report is based on the consolidated results of that group.

For completeness, the RFS Model is also based on the financial statements for KCOM Group PLC.

The remainder of this section describes the key organisational dimensions of KCOM Group, and how they are reflected in its financial reporting system.

Company Code

The KCOM Group accounts comprise the consolidated accounts of different subsidiaries which are included in the RFS model for completeness. The company codes are shown in Table 2 below.

Table 2: KCOM Group Companies

GL Code	Company
1000	KCOM Group Plc
1001	KCOM Holdings
1002	AISL
1003	Eclipse (Dormant)
1004	Media (Dormant)
1005	KCOM Contact Centres
1006	S421 (Dormant)
1007	Smart Tech Group (Dormant)
1008	Smart Integrator
1009	KCH (Holdings)
1010	CAR FA Only
1011	KCOM CAR
1012	Dormants

Segments

KCOM business activities are organized into Operating Segments with costs and revenues recorded separately in the chart of accounts, as shown in Table 3 below. These segments are aggregated for the purposes of KCOM's statutory accounts which show results for the following Reporting Segments:

- Hull & East Yorkshire (HEY)
- Enterprise
- National Network Services
- Central

Table 3: KCOM Operating Segments

Segment	Description	Aggregated Reports Segment
S001	Enterprise - Private	Enterprise
S002	Enterprise - Public	Enterprise
S003	Enterprise - Shared	Enterprise
S009	Enterprise - Recharges	Enterprise
S011	Wholesale - Hull	Hull & East Yorkshire
S012	Wholesale - National	National Network Services
S021	Consumer	Hull & East Yorkshire
S029	HEY - Recharges	Hull & East Yorkshire
S031	SMB - Hull	Hull & East Yorkshire
S032	SMB - National	National Network Services
S033	SMB - Shared	Hull & East Yorkshire
S034	NNS	National Network Services
S039	NNS - Recharges	National Network Services
S041	Interconnect & Other	National Network Services
S098	Intercompany	Central
S099	Shared	Central

Services in the Hull Area for which the RFS are required are provided by the HEY Operating Segments - Consumer, Wholesale-Hull, SMB (Small and Medium Businesses)-Hull and SMB - Shared. The HEY – Recharges segment is used to provide the recharged costs from across the business support functions.

Services provided by these Segments cover both the Hull Area and adjoining areas which are outside of the licensed Hull Area and for which KCOM is not required to prepare RFS. These adjoining areas are referred to as the East Yorkshire expansion (“EYE”) area.

The HEY segment receives support from other KCOM cost centres outside of that segment including:

- Technology, Service and Operations (TSO)
- Finance
- HR
- Legal & Risk
- Corporate
- IT
- Marketing & Communications

In addition, Sales, General & Administrative (SG&A) support for Wholesale-Hull services is provided by the Wholesale-National Segment.

Costs of these support activities are allocated to the HEY Segment using either a recharge in the statutory accounts, or an allocation methodology as set out in this DOCAS.

Cost Centres

Within each segment, SG&A costs are recorded based on the cost centres shown below.

Table 4: KCOM Cost Centres

Company Code	Segment	Sector	Segment	Cost Centre	Cost Centre Name
1001					
	HEY				
		SMB Hull			
			9031	201002	SMB Hull Sales
			9031	201004	SMB Hull Solutions
			9031	201005	Safe At Home
			9031	201006	Directories
		Consumer			
			9021	201012	Customer and Technical Services
			9021	201016	Consumer Sales & Engagement
		SMBCW Shared			
			9033	201011	Customer Insight
			9033	201022	SMB/Con/Wsale Central Management
			9033	201017	Customer Improvement
		HEY Recharges			
			9029	201019	HEY Recharges - Consumer
			9029	201009	HEY Recharges - SMB
	NNS				
		SMB National			
			9032	201041	SMB National Sales
		Partners			
			9012	201031	Partners
		NNS			
			9034	201045	NNS
		NNS Recharges			
			9039	201049	NNS Recharges
	Enterprise				
		Enterprise			
			9001	201102	Sales - Principals
			9002	201112	Sales - Central Government
		Enterprise Shared			
			9003	201121	Enterprise Central Practices
			9003	201124	Sales - Bid Support
			9003	201125	Sales - Client Principals
			9003	201126	Sales - Ops & Strategy
			9003	201201	Sales - Support Desk
			9003	201202	Pre-Sales
		Enterprise Recharges			
			9009	201299	Enterprise Recharges

Shared Services				
	Pool			
		S099	201501	Pool - Architecture
		S099	201502	Pool - Programme Manager & Project Co-ordinator
		S099	201503	Pool - Customer Service and Support
		S099	201504	Pool - Design & Development
		S099	201505	Pool - Resource Scheduling
	TSO			
		S099	201301	Contract Delivery
		S099	201303	Transformation Delivery
		S099	201305	Platform Operations
		S099	201307	Field Operations
		S099	201309	Service Operations
		S099	201310	CSOC
		S099	201312	NFULM Onsite Team
		S099	201313	Smaller Customers Onsite teams
		S099	201314	Client Services
		S099	201315	CSO Operations North
		S099	201316	TSO Central Management
		S099	201318	CSO Operations South
		S099	201319	Engineering Operations
		S099	201320	Product & Propositions
		S099	201321	Innovation & Development
		S099	201322	BT - Cost Collection
	Corporate Centre			
		S099	201401	IT CIO
		S099	201403	IT Infrastructure
		S099	201404	IT SaaS
		S099	201405	IT BED
		S099	201406	IT CXS
		S099	201407	IT BSS
		S099	201408	IT AIR
		S099	201409	IT QA
		S099	201410	IT Operations
		S099	201411	Estates
		S099	201412	Finance
		S099	201414	HR
		S099	201415	Risk
		S099	201416	Legal
		S099	201417	Corporate Executive
		S099	201418	Marketing
		S003	201205	Governance
1005				
	SMB			
	SMB Hull			
		S031	205002	Contact Centres
1009				
	1009			
		S099	209401	Default 1009

Product Codes

Revenues and direct costs in the GL are recorded by Product Groups.

The product groups used by KCOM to report revenues and costs do not align with the product groups which need to be reported in the RFS and so revenues and volumes in the GL are mapped to those in the RFS using more detailed information contained in KCOM's billing system, APS.

4. Accounting Separation Framework

The following Regulatory Accounting Principles have been applied in:

- the production of the RFS;
- the application of the Attribution Methods;
- the application of the Transfer Charging System; and
- the application of the Accounting Policies.

Principle 1 – Priority

Within the Regulatory Accounting Principles, insofar as there is conflict between the requirements of any or all of these Principles, the Principles are to be applied in the same order of priority in which they appear in this document.

Principle 2 - Cost Causality

Revenue (including transfer charges), costs (including transfer charges), assets and liabilities shall be attributed to cost components, services and Markets in accordance with the activities which cause the revenues to be earned or costs to be incurred or the assets to be acquired or liabilities to be incurred.

Where it is not possible to attribute revenues, costs, assets and liabilities in accordance with the preceding paragraph, the attribution shall be such as to present fairly the revenues, costs, assets and liabilities accounted for in the Financial Statement for each Business as a whole.

Principle 3 – Objectivity

The attribution shall be objective and not intended to benefit either KCOM or any other operator, product, service, component, or market.

Principle 4 – Consistency

There shall be consistency of treatment from year to year. Where there are material changes to Regulatory Accounting Principles, the attribution methods, or the accounting policies that have a material effect on the information reported in the financial statements of the Businesses, the parts of the previous year's financial statements affected by the changes shall be restated with appropriate explanatory notes.

Principle 5 - Use of UK GAAP

Unless expressly provided for, generally accepted accounting principles and practices in the United Kingdom are to be followed.

Principle 6 – Transparency

The methodology should provide a transparent description of the accounting and other methods used in the preparation of the RFS such that a suitably informed reader can:

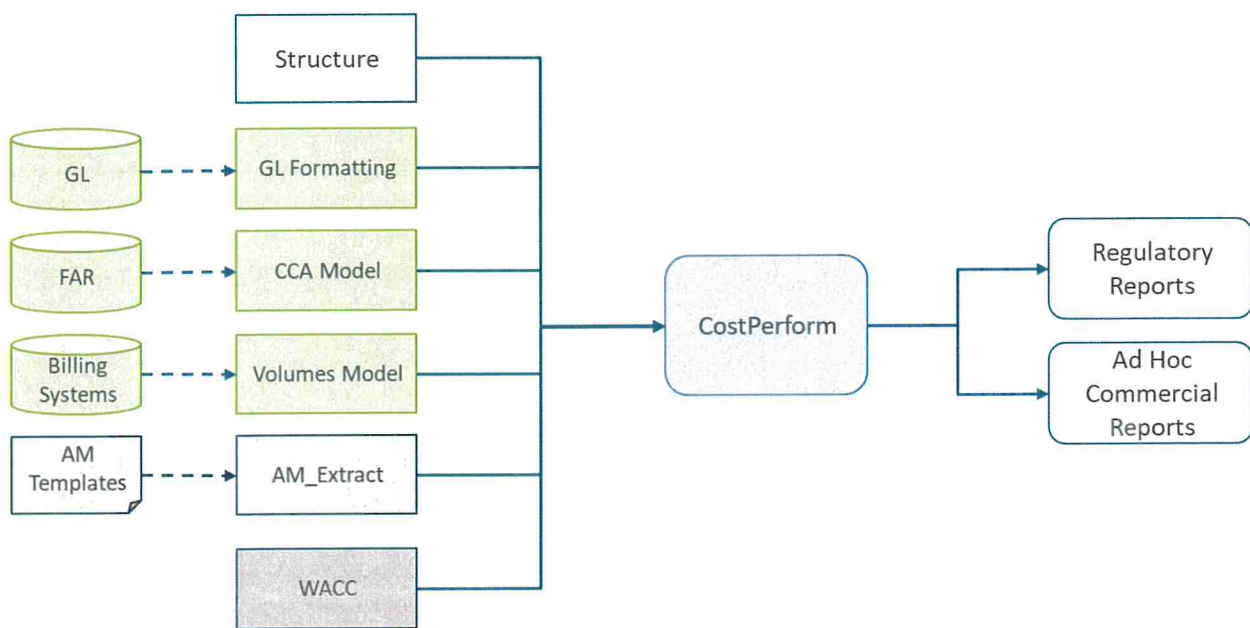
- gain an understanding of the overall structure of KCOM's financial and information systems from which regulatory accounting data is derived and the sequence of the processing and 'cascade' effect of the intermediate cost centres;
- gain an understanding of all the material, methodologies and drivers (e.g. systems, processes and procedures) applied in the preparation of regulatory accounting data; and
- make their own judgement as to the reasonableness of these methodologies and driver data and any changes to them.

5. RFS Model Design

KCOM's RFS are prepared using an activity-based costing model (the RFS Model) which uses data from the company's financial and operational systems to generate revenues and costs for the specified markets.

KCOM's RFS model uses the CostPerform activity-based costing system. The overall design of the RFS Model is set out in Figure 1

Figure 1 RFS Model Design



GL Input

To ensure that the RFS model captures all costs and revenues, the entire general ledger for KCOM is brought into the model. This is done by obtaining extracts from the SAP general ledger and then pre-formatting the account code structure for input into the CostPerform model.

Fixed Asset Register (FAR)

KCOM's fixed assets are listed in detail in its Fixed Asset Register (FAR). Each individual asset in the register is categorised with a regulatory accounting classification to enable it to be allocated to individual services.

The FAR classifications are set out in Annex 1: FAR RFS Categories.

The Current Cost Accounting (CCA) Model adjusts the historical cost of the fixed assets contained in the FAR to a CCA value used in the preparation of the RFS.

The CCA valuation methodology is described further in Section 8.

Billing Systems/ Volumes Model

To allocate some costs and calculate unit costs, the RFS model uses service volumes.

Volumes for rental and connection services reported in the RFS are obtained from KCOM's billing system, APS.

The APS system contains details for all billed services. To prepare the RFS it is necessary to categorise the billed services to services in the relevant markets.

This is done by assigning an RFS Service Category to each billed service.

The RFS Service Categories are set out in Annex 2: RFS Service Categories.

Call service volumes for the call Origination markets are obtained from KCOM's in-house software which captures interconnect traffic data - Interconnect Summary

AM Templates

For those costs which are attributed to more than one cost category, details of the cost categories being allocated to, and the basis on which they are attributed is input to the CostPerform model using standardised Attribution Methodology ("AM") templates.

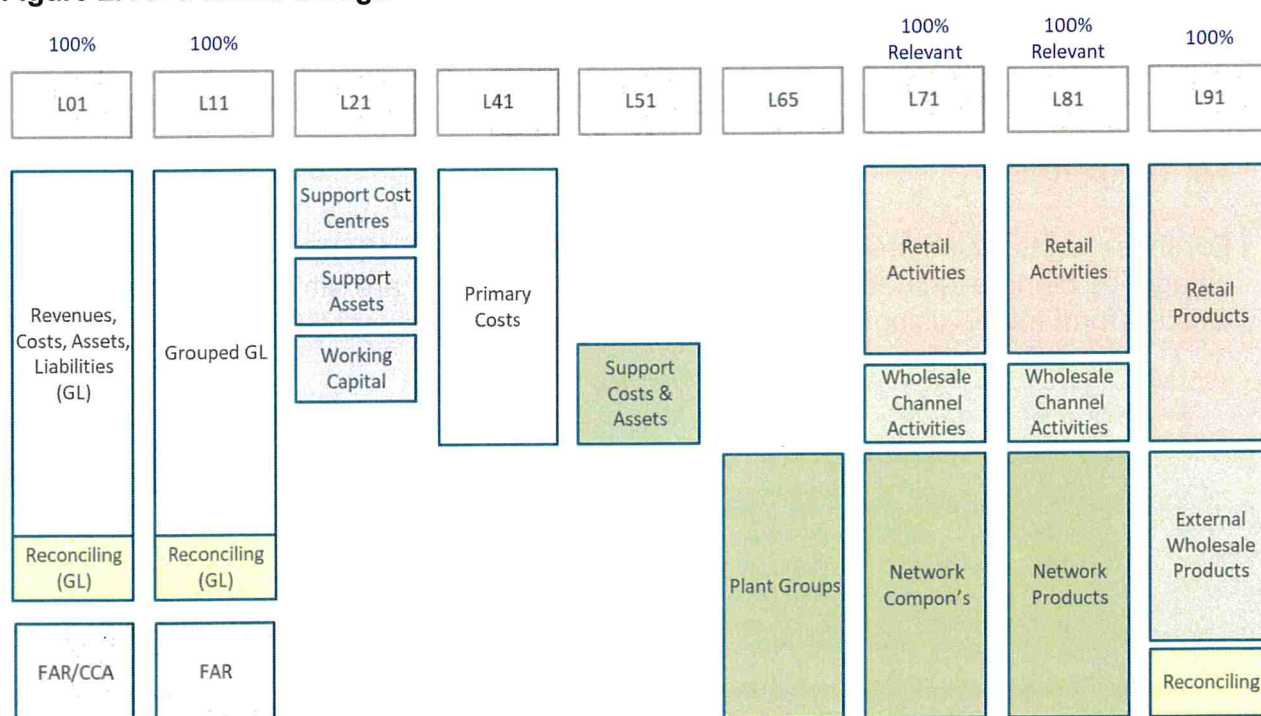
6. Activity-Based Costing Model

KCOM's RFS are prepared using an activity-based costing ("ABC") model built using the CostPerform system.

The model follows the usual layered approach in cost allocation models – costs from the general ledger are entered at the first layer and cascade down through various activities and categories to final products at the final layer.

The overall design of the ABC model is shown in Figure 2 below.

Figure 2: ABC Model Design



Layers not shown:

- Layer 00: Parameters – to capture WACC
- Layer 15: TSO Costs
- Layer 61: Primary Assets
- Layer 68: Overheads

The following sections describe each layer and provide details of the cost categories in each layer and the basis for their onward apportionment.

Revenue, costs, assets and liabilities from one layer are allocated to a later layer either based on a direct one-to-one allocation or apportionment using a cost driver.

The tables in this section show how costs are allocated or apportioned from one layer to another. The 'Destination' Column for each layer shows the 'Object' to which a value is allocated (if the AM Code is DIR_000) or apportioned, using the Apportionment Methodology ("AM") indicated in the column.

Layer 01 - General Ledger

All costs and revenues are entered at this level from the General Ledger ("GL") and Fixed Asset Register ("FAR"). There are approximately 6,500 objects in Layer 01. All values at Layer 01 are allocated to Layer 11 – Grouped GL.

Layer 11 - Grouped GL

This layer aggregates GL values for the purposes of onward apportionment and allocation (approximately 1,100).

Values which are not relevant to the provision of services in the Hull Area are grouped into larger categories and allocated to various reconciling categories in subsequent layers.

Layer 15 - TSO

The costs of Technology, Service and Operations (TSO) cost centres are aggregated at Layer 15 and apportioned to subsequent layers using Apportionment Methodologies shown in Table 5 (and described in Section 7).

Table 5 – Layer 15 – TSO Costs

Layer	Symbol	Name	Hierarchy	Parent	Unit	Object Allocates	Destination	AM Code	AM Name
L15	TSO Costs	TSO Costs	1	L15		SA_44			
L15	All TSO GL	TSO Recharge	A	TSO Costs		SA_43	-	AM_1510	TSO Costs

Layer 21 - Support Costs

Support costs are aggregated at this layer and allocated to support cost categories or direct cost activities.

The Support cost categories at Layer 21 and their onward apportionments are set out in Table 6 (and described in Section 7).

Table 6 – Layer 21 Support Costs and Support Assets

Layer	Symbol	Name	Destination	AM Code	AM Name
L21	SA	Support Assets			
L21	SA-General IT	General IT	OH-SA-General IT	DIR_000	Direct
L21	SA-Office Furniture	Office Furniture	OH-SA-Office Furniture	DIR_000	Direct
L21	SA-Non-network Bldgs	Non-network Bldgs	OH-SA-Non-network Bldgs	DIR_000	Direct
L21	SA-Residual	Residual	NC-OOS BS	DIR_000	
L21	SA-Prod-Mgmt	Prod-Mgmt	OH-SA-Prod-Mgmt	DIR_000	Direct
L21	SA-Billing-CSS-Sys	Billing-CSS-Sys	-	AM_2130	Billing
L21	SA-OLA Out of Scope	OLA Out of scope	NC-OOS BS	DIR_000	Direct
L21	SA-Corporate Assets	Corporate Assets	OH-SA-Corporate Assets	DIR_000	Direct
L21	SC	Support Cost Centres			
L21	201413	Brand Finance	NC-OOS IS	DIR_000	Direct
L21	201418	Marketing	RCC-Marketing	DIR_000	Direct
L21	205011	Contact Centres Core	NC-OOS IS	DIR_000	Direct
L21	NSC	TSO Network Support Costs			
L21	NSC-Network Support	General Network Support	NOC-Network Operations	DIR_000	Direct
L21	NSC-Support Contracts	Support Contracts	-	AM_2110	TSO Support
L21	NSC-Platforms	Platforms	-	AM_2110	TSO Support
L21	NSC-TSO Field Ops	TSO Field Ops	-	AM_2120	Field Ops
L21	SA Stocks	Stocks			
L21	Network Stocks OLA	Network Stocks OLA	CP-STOCK-Network Whls	DIR_000	Direct
L21	Network Stocks OOS	Network Stocks OOS	NC-OOS BS	DIR_000	Direct
L21	Network Stocks Fibre	Network Stocks Fibre	CP-STOCK-Fibre	DIR_000	Direct

Layer 41 - Primary Costs

Costs at this layer represent aggregated costs for operating and support activities.

The Primary cost categories at Layer 41 and their onward apportionments are set out in Table 7 (and described in Section 7).

Table 7 – Layer 41

Layer	Symbol	Name	Destination	AM Code	AM Name	Driver
L41	PCC	Primary Cost Centres				
L41	S001	Enterprise - Private				
L41	201101	Marketing	NC-OOS IS	DIR_000	Direct	
L41	201102	Sales - Principles	NC-OOS IS	DIR_000	Direct	
L41	S002	Enterprise - Public				
L41	201111	Marketing	NC-OOS IS	DIR_000	Direct	
L41	201112	Sales - Central Govt	NC-OOS IS	DIR_000	Direct	
L41	S003	Enterprise - Shared				
L41	201121	Ent. Central Pract.	NC-OOS IS	DIR_000	Direct	
L41	201122	Marketing Costs	NC-OOS IS	DIR_000	Direct	
L41	201123	Proposition Product Manager	NC-OOS IS	DIR_000	Direct	
L41	201124	Sales - Bid Support	NC-OOS IS	DIR_000	Direct	
L41	201125	Sales - Client Princ	NC-OOS IS	DIR_000	Direct	
L41	201126	Sales Ops & Strategy	NC-OOS IS	DIR_000	Direct	
L41	201127	Consultancy Fee Earn	NC-OOS IS	DIR_000	Direct	
L41	201128	Consultancy Pre Sale	NC-OOS IS	DIR_000	Direct	
L41	201129	Consult Bus Ser Sale	NC-OOS IS	DIR_000	Direct	
L41	201130	ConsultCentral Mgmt	NC-OOS IS	DIR_000	Direct	
L41	S011	Wholesale - Hull				
L41	S012	Wholesale - National				
L41	201031	Partners	OH-WCC-Partners	DIR_000	Direct	
L41	S021	Consumer				
L41	201012	Customer & Tech Srvs	RCC-Cons-Cust Tech Serv	DIR_000	Direct	
L41	201016	Consumer Sales & Eng	RCC-Cons Sales Eng	DIR_000	Direct	
L41	S031	SMB - Hull				
L41	201002	Business Sales	RCC- SMB- Business Sales	DIR_000	Direct	
L41	201003	Business Marketing	RCC-SMB-Business Marketing	DIR_000	Direct	
L41	201004	Business Solutions	RCC-SMB-Other	DIR_000	Direct	
L41	201005	Safe At Home	RCC-SMB-Other	DIR_000	Direct	
L41	201006	Directories	RCC-SMB-Other	DIR_000	Direct	
L41	205002	CC Other	RCC-SMB-Other	DIR_000	Direct	
L41	S032	SMB - National				
L41	201041	SMB National Sales	NC-OOS IS	DIR_000	Direct	
L41	201042	SMB National Product	NC-OOS IS	DIR_000	Direct	
L41	201043	SMB National Mktg	NC-OOS IS	DIR_000	Direct	
L41	201045	NNS	NC-OOS IS	DIR_000	Direct	
L41	S033	SMB - Shared				
L41	201011	Customer Insight	RCC-Cons Sales Other	DIR_000	Direct	
L41	201017	Customer Improvement	RCC-Cons Sales Other	DIR_000	Direct	
L41	201022	SMB/Con/Wsale Centra	RCC-Cons Sales Other	DIR_000	Direct	
L41	S098	Interconnect & Other				

L41	S099	Intercompany				
L41	201201	Sales - Support Desk	NC-OOS IS	DIR_000	Direct	
L41	201202	Pre-Sales	NC-OOS IS	DIR_000	Direct	
L41	201203	Integ. & Develop	NC-OOS IS	DIR_000	Direct	
L41	201204	Programme/Proj Mgmt	NC-OOS IS	DIR_000	Direct	
L41	201205	PMO	NC-OOS IS	DIR_000	Direct	
L41	201206	Prof Service General	NC-OOS IS	DIR_000	Direct	
L41	209401	GFS	NC-OOS IS	DIR_000	Direct	
L41	201090	Finance (asset costs only)	NC-OOS IS	DIR_000	Direct	
L41	202090	Finance (Enterprise)	NC-OOS IS	DIR_000	Direct	
L41	205090	Finance (Contact Centres)	NC-OOS IS	DIR_000	Direct	
L41	203090	Finance (Eclipse)	NC-OOS IS	DIR_000	Direct	
L41	204090	Finance (Media)	NC-OOS IS	DIR_000	Direct	
L41	206090	Finance (Smart)	NC-OOS IS	DIR_000	Direct	
L41	201412	HR	NC-OOS IS	DIR_000	Direct	
L41	201415	Risk	NC-OOS IS	DIR_000	Direct	
L41	201416	Legal	NC-OOS IS	DIR_000	Direct	
L41	201417	Corporate Executive	NC-OOS IS	DIR_000	Direct	
L41	201501	Pool - Architecture	NC-OOS IS	DIR_000	Direct	
L41	201502	Pool - Programme Manager & Project Co-ord	NC-OOS IS	DIR_000	Direct	
L41	201503	Pool - Customer Service and Support	NC-OOS IS	DIR_000	Direct	
L41	201504	Pool - Design & Development	NC-OOS IS	DIR_000	Direct	
L41	201505	Pool - Resource Scheduling	NC-OOS IS	DIR_000	Direct	
L41	NOC	TSO Network Operating Costs				
L41	NOC-Network Operations	Network Support	-	AM_4120	TSO Net Op Costs	GRC_CLS
L41	NOC-Data	National Network Data	NC-Bandwidth external	DIR_000	Direct	
L41	NOC-Voice	National Network Voice	NC-OOS IS	DIR_000	Direct	
L41	NOC-Horizon Hull Network	Horizon Hull Network	-	AM_4120	TSO Net Op Costs	GRC_CLS
L41	NOC-Hereditament	Hereditament	-	AM_4120	TSO Net Op Costs	GRC_CLS
L41	NOC-Copper Field Ops	Copper Field Ops	NC-Field Ops Copper	DIR_000	Direct	
L41	NOC-Fibre Field Ops	Fibre Field Ops	NC-Field Ops Fibre	DIR_000	Direct	
L41	NOC-Other Field Ops	Other Field Ops	NC-Field Ops Other	DIR_000	Direct	
L41	NOC-Power	Power	-	AM_4120	TSO Net Op Costs	
L41	NOC-Provisioning	Provisioning	NC-Provisioning	DIR_000	Direct	

Layer 51- Network Support Assets

Network Support Assets include duct, Core SDH, TDM and IP assets which are allocated to Primary Assets in Layer 61.

The Network Support Asset categories and apportionment bases are set out in Table 8 below (and described in Section 7).

Table 8 – Network Support Asset Categories

Layer	Symbol	Name	Destination	AM Code	AM Name	Driver
L51	NSA	Network Support Assets				
L51	NSA-Duct EYD	Duct EYD	-	AM_501	Duct Analysis	GRC_CLS
L51	NSA-Core TDM	Core TDM	PG-SDH Equipment	DIR_000	Direct	
L51	NSA-Core IP	Core IP	PG-IP Equipment	DIR_000	Direct	
L51	NSA-Exchange Bldg	Exchange Bldg	-	AM_504	Exchange Bldg Analysis	GRC_CLS
L51	NSA-Network IT	Network IT	-	AM_505	Network IT Analysis	GRC_CLS
L51	NSA-Network Vehicles	Network Vehicles	-	AM_506	Network Vehicles Analysis	GRC_CLS
L51	NSA-NGA Support	NGA Support	-	AM_508	NGA Support Analysis	GRC_CLS
L51	NSA-Concentrator EYD	Concentrator EYD	-	AM_509	Core-Access Split	
L51	NSA-Processor EYD	Processor EYD	PG-Processor	DIR_000	Direct	
L51	NSA-CPE	CPE	-	AM_511	CPE Analysis	SA_33
L51	NSA-Outsource NW Support	Outsource NW Support	-	AM_512	Outsource support	OPEX PLUS CCA DEPN
L51	NSA-Network Support	Network Support	-	AM_513	Network Support	OPEX PLUS CCA DEPN
L51	NSA-Bus-Provisioning	Bus-Provisioning	-	AM_514	Business Provisioning	OPEX PLUS CCA DEPN

Layer 61 - Primary Assets

Asset costs are aggregated at Layer 61 to receive apportionments of support costs.

The Network Support Asset categories and apportionment bases are set out in Table 9 (and described in Section 7).

Table 9 – Layer 61 Primary Assets

Layer	Symbol	Name	Destination	AM Code	AM Name
L61	PA	Primary Assets			
L61	PA-Access Equipment	PA-Access Equipment	PG-Access Equipment	DIR_000	Direct
L61	PA-Access-Copper	PA-Access-Copper	PG-Access-Copper	DIR_000	Direct
L61	PA-Access-Copper-Drop	PA-Access-Copper-Drop	PG-Access-Copper-Drop	DIR_000	Direct
L61	PA-Access-Fibre-NGA-Drop	PA-Access-Fibre-NGA-Drop	PG-Access-Fibre-NGA-Drop	DIR_000	Direct
L61	PA-Access Fibre LL	PA-Access Fibre LL	PG-Access Fibre LL	DIR_000	Direct
L61	PA-CISBO-CPE	PA-CISBO-CPE	PG-CISBO-CPE	DIR_000	Direct
L61	PA-CISBO-Exch-Equip	PA-CISBO-Exch-Equip	PG-CISBO-Exch-Equip	DIR_000	Direct
L61	PA-Concentrator - Usage	PA-Concentrator - Usage	PG-Concentrator - Usage	DIR_000	Direct
L61	PA-Core-Fibre	PA-Core-Fibre	PG-Core-Fibre	DIR_000	Direct
L61	PA-DSLAM	PA-DSLAM	PG-DSLAM	DIR_000	Direct
L61	PA-NGA CPE	PA-NGA CPE	-	AM_601	NGA CPE Analysis
L61	PA-NGA Exchange Equipment	PA-NGA Exchange Equipment	PG-NGA Exchange Equipment	DIR_000	Direct
L61	PA-Optical Ethernet switches	PA-Optical Ethernet switches	PG-Optical Ethernet switches	DIR_000	Direct
L61	PA-TISBO-Exchange Equipment	PA-TISBO-Exchange Equipment	PG-TISBO-Exchange Equipment	DIR_000	Direct
L61	PA-NGA Passive	PA-NGA Passive	-	AM_602	NGA Passive Analysis

Layer 65 - Plant Groups

Plant Groups are groups of assets used to deliver network services.

The Plant Group categories and apportionment bases are set out in Table 10 below (and described in Section 7).

Table 10 – Layer 65 Plant Groups

Layer	Symbol	Name	Destination	AM Code	AM Name
L65	PG	Plant Groups			
L65	PG-Access-Copper	Access Copper Cable	NC-Access Copper	DIR_000	Direct
L65	PG-Access Fibre LL	Access Fibre Leased Lines	NC-Access Fibre LL	DIR_000	Direct
L65	PG-Access-Fibre-NGA-Spine	Access Fibre NGA Spine	NC-Access Fibre NGA Spine	DIR_000	Direct
L65	PG-Access-Fibre-NGA-Dist	Access Fibre NGA Distribution	NC-Access Fibre NGA Dist	DIR_000	Direct
L65	PG-Access-Fibre-NGA-Drop	Access Fibre NGA Drop	NC-Access Fibre NGA Drop	DIR_000	Direct
L65	PG-Core-Fibre	Core Fibre	NC-Core Fibre	DIR_000	Direct
L65	PG-Core-Fibre-NGA	Core Fibre NGA	NC-Core Fibre NGA	DIR_000	Direct
L65	PG-CISBO-Exch-Equip	CISBO Exchange Equipment	NC-CISBO Exch Equip	DIR_000	Direct
L65	PG-CISBO-CPE	CISBO CPE Equipment	NC-CISBO CPE Equip	DIR_000	Direct
L65	PG-TISBO-Exchange Equipment	TISBO Exchange Equipment	NC-TISBO Exch Equip	DIR_000	Direct
L65	PG-TISBO CPE Equipment	TISBO CPE Equipment	NC-TISBO CPE Equip	DIR_000	Direct
L65	PG-PSTN CPE/NTP	PSTN CPE/NTP	NC-PSTN CPE/NTP	DIR_000	Direct
L65	PG-ISDN2 CPE/NTP	ISDN2 CPE/NTP	NC-ISDN2 CPE/NTP	DIR_000	Direct
L65	PG-ISDN 30 CPE/NTP	ISDN 30 CPE/NTP	NC-ISDN 30 CPE/NTP	DIR_000	Direct
L65	PG-NGA Exchange Equipment	NGA Exchange Equipment	NC-NGA Exch Equip	DIR_000	Direct
L65	PG-NGA Systems	NGA Systems	NC-NGA Systems	DIR_000	Direct
L65	PG-NGA CPE Cons	NGA CPE Cons	NC-NGA CPE Cons	DIR_000	Direct
L65	PG-NGA CPE Bus	NGA CPE Bus	NC-NGA CPE Bus	DIR_000	Direct
L65	PG-Tier 1& 2 ATM switches	Tier 1& 2 ATM switches	NC-Tier 1& 2 ATM switches	DIR_000	Direct
L65	PG-DSLAM	DSLAM	NC-DSLAM	DIR_000	Direct
L65	PG-Optical Ethernet switches	Optical Ethernet switches	NC-Opt Ethernet switches	DIR_000	Direct
L65	PG-Exchange - Lines	Exchange - Lines	NC-Exch - Lines	DIR_000	Direct
L65	PG-Concentrator - Usage	Concentrator - Usage	NC-Conc - Usage	DIR_000	Direct
L65	PG-Processor	Processor	NC-Processor	DIR_000	Direct
L65	PG-EYE Fibre	EYE Fibre	NC-EYE Fibre	DIR_000	Direct
L65	PG-Access Equipment	Access Equipment	NC-Access Copper	DIR_000	Direct
L65	PG-Access-Copper-Drop	Access-Copper-Drop	NC-Access Copper	DIR_000	Direct
L65	PG-SDH Equipment	SDH Equipment	NC-SDH Equipment	DIR_000	Direct
L65	PG-IP Equipment	IP Equipment	NC-IP Equipment	DIR_000	Direct

Layer 68 - Overheads

Overhead cost categories are aggregated at Layer 68 for onward apportionment. Overhead categories and apportionment bases are set out in Table 11 below (and described in Section 7).

Table 11 – Layer 68 Overheads

Layer	Symbol	Name	Destination	AM Code	AM Name	Driver
L68	Overheads	Overheads				
L68	OH-SA	Support Assets				
L68	OH-SA-General IT	General IT	NC	DIR_000	Direct	OPEX PLUS ADDS
L68	OH-SA-Office Furniture	Office Furniture	NC	DIR_000	Direct	OPEX PLUS ADDS
L68	OH-SA-Non-network Bldgs	Non-network Bldgs	NC	DIR_000	Direct	OPEX PLUS ADDS
L68	OH-SA-Prod-Mgmt	Prod-Mgmt	NC	DIR_000	Direct	OPEX PLUS ADDS
L68	OH-SA-Corporate Assets	Corporate Assets	NC	DIR_000	Direct	OPEX PLUS ADDS
L68	OH-SC	Support Cost Centres				
L68	OH-General	General		AM_901	Other recharges	OPEX PLUS ADDS
L68	OH-Corp Costs Not Recharged	Corp Charges Not Recharged in GL		AM_901	Other recharges	OPEX PLUS ADDS
L68	OH-WCC-Partners	Partners SGA		AM_6805	Partners SGA	
L68	OH-HEY Consumer Marketing	HEY Consumer Marketing	RCC-Cons-Cust Tech Serv	DIR_000	Direct	
L68	OH-HEY Business Marketing	HEY Business Marketing	RCC-SMB-Business Marketing	DIR_000	Direct	
L68	OH-WC	Support Cost Centres				
L68	OH-Cash-1001	OH-Cash-1001	NC-OOS BS	DIR_000	Direct	
L68	OH-DEBTORS-1001 IC	OH-DEBTORS-1001 IC	CP-DEBTORS-Whls	DIR_000	Direct	
L68	OH-DEBTORS-1001 OOS	OH-DEBTORS-1001 OOS	NC-OOS BS	DIR_000	Direct	
L68	OH-DEBTORS-1001 Whls	OH-DEBTORS-1001 Whls	-	AM_6801	Working Capital	
L68	OH-DEBTORS-1001 SMB	OH-DEBTORS-1001 SMB	-	AM_6801	Working Capital	
L68	OH-DEBTORS-1001 Cons	OH-DEBTORS-1001 Cons	CP-DEBTORS-Cons	DIR_000	Direct	
L68	OH-DEBTORS-1001 Others Corp	OH-DEBTORS-1001 Others Corp	-	AM_6801	Working Capital	
L68	OH-CREDITORS-1001 Corp	OH-CREDITORS-1001 Corp	-	AM_6801	Working Capital	
L68	OH-CREDITORS-1001 OOS	OH-CREDITORS-1001 OOS	NC-OOS BS	DIR_000	Direct	
L68	OH-CREDITORS-1001 SMB	OH-CREDITORS-1001 SMB	-	AM_6801	Working Capital	
L68	OH-CREDITORS-1001 Cons	OH-CREDITORS-1001 Cons	CP-CREDITORS-Cons	DIR_000	Direct	
L68	OH-CREDITORS-1001 Whls	OH-CREDITORS-1001 Whls	-	AM_6801	Working Capital	

Layer 71 - Components

Network components aggregate the costs used to deliver network services for onward apportionment to network products.

Details of the components used in the RFS model are set out in Annex 3.

Layer 81 - Network Products

Layer 81 calculates the costs of network Products defined to match the wholesale and retail services sold by KCOM.

Details of Network Product Categories are set out in Annex 4.

Layer 91- Wholesale & Retail Products

Fully allocated costs for wholesale and retail services sold by KCOM in the relevant markets are calculated at Layer 91 by aggregating Network Products with appropriate SGA costs from Layer 81.

Details of Wholesale & Retail Product Categories are set out in Annex 4.

7. Cost Apportionment Methodologies

Introduction

This section describes the cost apportionment methodologies used in the RFS Model to allocate fully KCOM's revenues, costs and liabilities to individual services reported on in the RFS Markets.

KCOM's approach to apportionment is to seek to identify the appropriate driver for each item and, as far as possible, use objective operational and/or financial data relevant to that driver to generate apportionment bases.

Layer 15 - Apportionment Methodologies

TSO costs (AM_1510)

KCOM's Technology, Service and Operations (TSO) team is responsible for operating KCOM's network inside and outside of the Hull Area.

TSO costs are recharged to the market segments for management and statutory accounts. The HEY recharge is apportioned to cost categories for the RFS using budget cost assumptions of each cost type.

This results in allocations to RFS cost categories shown in Table 12.

Table 12 – TSO Cost Categories

Destination Code	Destination Name
NOC-Data	Network Data
NOC-Voice	Network Voice
NOC-Horizon Hull Network	Horizon Hull Network
NOC-Hereditament	Hereditament Hull
NSC-Network Support	Network Support
NSC-TSO Field Ops	TSO Field Ops
NOC-Power	Power
NSC-Support Contracts	Support Contracts
NSC-Platforms	Platforms
NOC-Provisioning	Provisioning
NC-OOS IS	NC-OOS IS

Layer 21 Apportionment Methodologies

Billing systems (AM_2130)

The value of KCOM's billing systems are apportioned to its wholesale and retail channel assets (WCC-Billing and RCC-Billing) in Layer 71 proportionately to external revenues recorded in the GL.

Network Support Contracts, Platforms (AM_2110)

The costs of network support contracts and platforms recharged to the HEY segment at Layer 15 are allocated to network activities based on an analysis of the contracts and platform.

Costs are apportioned to the cost categories shown in Table 13 below.

Table 13 – HEY Cost Centres for Network Support Contracts and Platforms

Source Name	Destination Code	Destination Name
Support Contracts	NSC-Network Support	General Network Support
Support Contracts	NOC-Power	Power
Support Contracts	NOC-Data	Network data
Platforms	NSC-Network Support	General Network Support
Platforms	NOC-Power	Power
Platforms	NOC-Data	Network data

Field Ops (AM_2120)

The costs of the TSO Field Operations team are apportioned to copper, fibre and 'other' field cost categories in Layer 41 based on the FTE of the copper, fibre and other teams in the Field Ops Cost Centre.

Layer 41 Apportionment Methodologies

Network Support Costs (AM-4120)

Network Support Costs comprise the costs of the TSO general network support, general network support contracts and general network platforms.

Costs are apportioned to the Primary Asset Categories in Layer 61 shown in Table 14, based on the GRC of the assets.

Table 14 – Primary cost Categories for Network Support Costs

Source Name	Destination Code	Destination Name
Network Support	PA-Access Equipment	PA-Access Equipment
Network Support	PA-Access-Copper	PA-Access-Copper
Network Support	PA-Access-Copper-Drop	PA-Access-Copper-Drop
Network Support	PA-Access-Fibre-NGA-Drop	PA-Access-Fibre-NGA-Drop
Network Support	PA-Access Fibre LL	PA-Access Fibre LL
Network Support	PA-CISBO-CPE	PA-CISBO-CPE
Network Support	PA-CISBO-Exch-Equip	PA-CISBO-Exch-Equip
Network Support	PA-Concentrator - Usage	PA-Concentrator - Usage
Network Support	PA-Core-Fibre	PA-Core-Fibre
Network Support	PA-DSLAM	PA-DSLAM
Network Support	PA-NGA CPE	PA-NGA CPE
Network Support	PA-NGA Exchange Equipment	PA-NGA Exchange Equipment
Network Support	PA-Optical Ethernet switches	PA-Optical Ethernet switches
Network Support	PA-TISBO-Exchange Equipment	PA-TISBO-Exchange Equipment
Network Support	PA-NGA Passive	PA-NGA Passive

Horizon Contract Costs (AM_4120)

In the years ending 31st March 2017 and 31st March 2018 KCOM outsourced the maintenance of its network in the Hull Area to BT under the terms of a contract referred to as the Horizon Contract. The costs of this contract are apportioned to the assets BT (at Layer 61 – Primary Assets) are responsible for maintaining based on the GRC of those assets.

Hereditament Costs (AM_4120)

Hereditament Costs are apportioned to the Primary Assets in Layer 61 based on the GRC of those assets.

Power Costs (AM_4120)

Power Costs are apportioned to the Primary Assets in Layer 61 using the split of power consumption at each of the exchanges over the GRC of those assets.

Field Op Costs

Field Operations costs for the fibre and copper teams are apportioned to the relevant copper and fibre assets (at Layer 61 - Primary Assets) the team are responsible for maintaining based on the GRC of those assets.

Layer 51 Apportionment Methodologies

Duct (AM_501)

The costs of duct are apportioned to the relevant copper and fibre assets (at Layer 61 - Primary Assets) based on the GRC of those assets

Exchange Buildings (AM_504)

The costs of Exchange Buildings are apportioned to the assets located at the exchange buildings (at Layer 61 - Primary Assets) based on the GRC of those assets.

Network IT (AM_505)

The costs of Network IT are apportioned to network assets (at Layer 61 - Primary Assets) based on the GRC of those assets.

Network Vehicles (AM_506)

The costs of Network IT are apportioned to network assets (at Layer 61 - Primary Assets) based on the GRC of those assets.

NGA Support (AM-508)

The costs of NGA support assets are apportioned over relevant NGA assets (at Layer 61 - Primary Assets) based on the GRC of those assets.

Core Access (AM-509)

Split of concentrator costs between line-cards and traffic.

CPE (AM_511)

The costs of customer premises equipment (CPE) are apportioned to PSTN, ISDN2, ISDN30 Plant Groups based on management estimates of the relative costs for customer equipment for these different types of service.

Outsourced Network Support (AM_512)

The costs of capitalized outsourced network support assets are apportioned to copper and fibre assets (at Layer 61 - Primary Assets) based on previously allocated Opex plus Depreciation.

Network Support (AM_513)

Network support assets are allocated to network assets (at Layer 61 - Primary Assets) based on previously allocated Opex plus Depreciation.

Business Provisioning (AM_514)

Capitalised business provisioning asset costs are allocated to relevant Plant Groups based on volumes.

Layer 61 Apportionment Methodologies

NGA CPE (AM_601)

The costs of NGA CPE are apportioned to NGA Consumer and Business Plant Groups based on volumes.

NGA Passive (AM_602)

The costs of NGA Passive Assets are apportioned to Spine, Distribution and Drop Plant Groups based on the relative NGA cable count data extracted from KCOM's GIS database.

Layer 68 Apportionment Methodologies

Partners SGA Costs (AM_6805)

Wholesale products sold in the Hull area are supported by KCOM's 'Partners' team.

The costs of this team are apportioned in two steps:

Step 1 – Total costs are apportioned to Wholesale (Hull) and Wholesale (National) segments pro rata to revenues.

Step 2 – costs apportioned to the Wholesale (Hull) Segment are apportioned to retail and wholesale channel cost categories proportionate to revenues.

Working Capital AM_6801

External debtors and creditors for the Wholesale, Consumer and SMB segments are apportioned to relevant components proportionately to revenues.

Recharges (AM_901)

Recharges from the Central supporting functions are allocated to the Network Components for HEY proportionate to operating expenditure plus capex additions.

The remainder of the costs from the Central supporting functions not recharged to the market segments of KCOM are allocated to all components proportionate to operating expenditure plus capex additions.

Layer 71 Apportionment Methodologies

Access Network Component Factors (AM_701)

Network Components are allocated to Network Products (Layer 81) using the factors shown in Table 15.

Table 15 – Access Network Component factors

	NP-Lines-Res-Conn	NP-Lines-Res-Rent	NP-Lines-Bus-Conn	NP-Lines-Bus-Rent	NP-ISDN2-Res-Conn	NP-ISDN2-Res-Rent	NP-ISDN2-Bus-Conn	NP-ISDN2-Bus-Rent	NP-ISDN30-Bus-Conn	NP-ISDN30-Bus-Rent	NP-DSL-Conn	NP-DSL-Rent	NP-FibreBB-Res-Conn	NP-FibreBB-Res-Rent	NP-FibreBB-Bus-Conn	NP-FibreBB-Bus-Rent	NP-TISBO-Conn	NP-TISBO-0-1Mbps-Rent	NP-TISBO-1-8Mbps-Rent	NP-CISBO-Conn	NP-CISBO-0-10Mb-Rent	NP-CISBO-10-100Mb-Rent	NP-CISBO-0.1-1Gb-Rent	NP-CISBO-1-10Gb-Rent	
NC-Access Copper	1		1		1		1											1	1						
NC-Access Fibre LL																						1	1	1	1
NC-Access Fibre NGA Spine									1				1		1										
NC-Access Fibre NGA Dist									1				1		1										
NC-Access Fibre NGA Drop									1				1		1										
NC-CISBO Exch Equip																						1	1	1	1
NC-CISBO CPE Equip																						1	1	1	1
NC-TISBO Exch Equip																		1	1						
NC-TISBO CPE Equip																		1	1						
NC-PSTN CPE/NTP	1	1																							
NC-ISDN2 CPE/NTP					1		1																		
NC-ISDN 30 CPE/NTP									1																
NC-NGA CPE Cons													1												
NC-NGA CPE Bus																								1	
NC-DSLAM												1													
NC-Exch - Lines	1	1			1		1																		
NC-NGA Exch Equip													1		1										
NC-NGA Systems													1		1										

Core Network Component Factors (AM_702)

Core Network Components costs are allocated to Network Products (Layer 81) based on the bandwidth assumptions shown in Table 16.

Table 16 – Core Network Component factors

	speed (Mbps)	Contention/%	Speed in core	Mbyte/minute	Mbyte per line
NP-Call Termination					3.84
NP-CO-Other					3.84
NP-CO-HEY					3.84
NP-CO-Local					3.84
NP-FibreBB-Res-Rent	148	0.87%	1.29		40,605,754
NP-FibreBB-Bus-Rent	362.5	0.87%	3.15		99,456,860
NP-TISBO-0-1Mbs-Rent	0.1	1	0.1		3,153,600
NP-TISBO-1-8Mbs-Rent	2	1	2		63,072,000
NP-TISBO-10-100Mbs-Rent	10	1	10		315,360,000
NP-TISBO->100Mbs-Rent	200	1	200		6,307,200,000
NP-CISBO-0-10Mb-Rent	10	1	10		315,360,000
NP-CISBO-10-100Mb-Rent	100	1	100		3,153,600,000
NP-CISBO-0.1-1Gb-Rent	1000	1	1000		31,536,000,000
NP-CISBO-1-10Gb-Rent	10000	1	10000		315,360,000,000
NP-DSL-Rent	6	20	0.3		9,460,800

Field Operations (AM_705)

Field Operations are apportioned to all Network Products for rentals proportionately to volumes

Provisioning (AM_710)

Network provisioning costs are apportioned to all Network Products for new connections proportionately to volumes

Layer 81 Apportionment Methodologies

Routing factors (AM801)

Network Products at Layer 81 are apportioned to retail and wholesale products in Layer 91 using the routing factors set out in Annex 6.

8. CCA Valuation Methodology

The RFS are prepared using the current cost accounting convention. The requires assets to be restated at their current (rather than historical cost).

Terminology used in the RFS model is as follows:

Gross Book Value ('GBV'): The original historical cost of acquiring the assets as recorded in the Fixed Asset Register ('FAR')

Net Book Value ('NBV'): The depreciated cost of the asset as recorded in the FAR

Annual Historical Cost Depreciation ('Ann HC Depn'): The depreciation recorded in the FAR.

Gross Replacement Cost ('GRC'): The original historical cost of acquiring the assets as recorded in the Fixed Asset Register ('FAR') uplifted by the monthly RPI Index

Gross Holding Gain: Calculated as the difference between opening and closing GRC for each asset, less any disposals, plus any additions

Backlog Depreciation: Calculated as follows:

$$\left(1 - \frac{\text{Opening NBV}}{\text{GBV}}\right) \times \text{Gross Holding Gain}$$

Net Holding Gain: Calculated as follows:

$$\text{Gross Holding Gain} - \text{Backlog Depreciation}$$

Annual CCA Depreciation ('Ann CCA Depn'): Total annual depreciation charge under CCA accounting. Calculated as follows:

$$\frac{\text{Average Opening and Closing GRC}}{\text{Average Opening and Closing GBV}} \times \text{Ann HC Depn}$$

Supplementary CCA Depreciation: Calculated as follows:

$$\text{Ann CCA Depn} - \text{Ann HC Depn}$$

CCA Valuation Methodology

In the RFS, all fixed assets are revalued by applying a Retail Price Index ('RPI') adjustment to the historical cost of the asset recorded in the Fixed Asset Register.

9. Revenues and Transfer Charges

External revenues for wholesale services are calculated as follows:

- Each product in the KCOM's billing system (APS) is tagged with a relevant regulatory service type (shown in Annex 2)
- The relevant GL code for each APS entry is identified using mapping tables
- Revenues in the GL are allocated proportionately to the revenues for each APS entry mapped to that GL code

10. Preparation of RFS

The published RFS are prepared using Excel output tables from the CostPerform ABC model.

The regulatory reporting requirements which set out the format of the RFS require costs to be presented using different categories in the profit and loss and network cost statements.

The reports and associated cost categories which KCOM is required to use in its RFS as shown in Figure 3 to Figure 5 below.

Figure 3 Profit and Loss Account format

Kingston Wholesale Market: XXXX

CURRENT COST PROFIT AND LOSS ACCOUNT
for the year ended XXX

	£k XXX	% per line item/total
Turnover		
Internal Sales	XXX	XXX
External Sales	XXX	XXX
Total Turnover	XXX	XXX
Operating costs		
Operating costs of Wholesale Market		
- Maintenance	XXX	XXX
- Provision & Installation	XXX	XXX
- Finance & Billing	XXX	XXX
- Outpayments	XXX	XXX
- Bad Debts	XXX	XXX
- Depreciation	XXX	XXX
- Other Costs	XXX	XXX
Sub total operating expenditure	XXX	XXX
CCA adjustments:		
Holding gain	XXX	
Supplementary depreciation	XXX	
Total operating costs	XXX	
Return	XXX	
RETURN ON MEAN CAPITAL EMPLOYED AND TURNOVER for the year ended XXX	XXX %	
Return on mean capital employed	XXX	
Return on turnover	XXX	

Figure 4 Balance Sheet format

Kingston Wholesale Market XXXX

STATEMENT OF CURRENT COST MEAN CAPITAL EMPLOYED
for the year ended XXX

	£k XXX	£k PY	% Change
Fixed assets			
Tangible fixed assets			
- Land & Buildings	XXX	XXX	XXX
- Duct	XXX	XXX	XXX
- Transmission Equipment	XXX	XXX	XXX
- Exchange Equipment	XXX	XXX	XXX
- Other	XXX	XXX	XXX
Total fixed assets	XXX	XXX	XXX
Current assets			
Stocks	XXX	XXX	XXX
Debtors			
- internal	XXX	XXX	XXX
- external	XXX	XXX	XXX
Total current assets	XXX	XXX	XXX
Creditors: amounts falling due within one year			
Other creditors			
- internal	XXX	XXX	XXX
- external	XXX	XXX	XXX
Total creditors: amounts falling due within one year	XXX	XXX	XXX
Net current assets	XXX	XXX	XXX
Total assets less current liabilities	XXX	XXX	XXX
Closing capital employed	XXX	XXX	XXX
Mean capital employed	XXX	XXX	XXX

Figure 5 Network Activity format

Kingston Statement of Costs on a Current Cost Basis

Network Activity Statement
for the year ended XXXX

Network Activity Statement - XXX

Fully Allocated Cost	HCA operating cost	Supplementary Depreciation	Holding gain and other CCA adjustments	Total CCA operating costs	CCA mean capital employed	Applicable rate of return on capital %	Capital costs	Total of operating costs and capital costs relating to current year	Volume (No. of Business Lines)	Average costs per min/unit on a current cost basis relating to current year
Exchange concentrator	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Exchange processor	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Exchange-exchange transmission link	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Exchange-exchange transmission length	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
National operator assistance	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Emergency operator assistance	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
PPP for narrowband call services	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Local Loop Infrastructure	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Totals	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Network Activity Statement for year ended PY										
Exchange concentrator	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Exchange processor	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Exchange-exchange transmission link	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Exchange-exchange transmission length	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
National operator assistance	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Emergency operator assistance	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
PPP for narrowband call services	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Local Loop Infrastructure	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Totals	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

Revenues, costs, assets and liabilities in the RFS Model are categorised for reporting in the Profit and Loss Account, Balance Sheet and Network Activity Statement reports using Regulatory Reporting Group (RRG) classifications which are attached to costs at layer 001 (GL) in the RFS Model.

Classifying costs at this level enables costs to be categorised at the most disaggregated layer.

Costs in the Network Activity Statement are classified using Component Cost categories determined by Ofcom. In the RFS Model these are tagged at Layer 71 (components).

The components are as follows:

- Local Loop Infrastructure
- Exchange to Exchange Infrastructure
- Electronics
- Other
- Exchange Concentrator
- Exchange Processor
- Field Maintenance
- Field Provision
- Sales and Product Management
- Net Current Assets

The mapping of network components to reported components is shown in Table 17 below.

Table 17 Regulatory Component classification

Layer	Symbol	Name	RR Component
L71	NC	Components	
L71	WHLN	Wholesale Business	
L71	NCC	Network Components	
L71	NC-Access Copper	NC-Access Copper Cable	Local Loop Infrastructure
L71	NC-Access Fibre LL	NC-Access Fibre Leased Lines	Local Loop Infrastructure
L71	NC-Access Fibre NGA Spine	NC-Access Fibre NGA Spine	Local Loop Infrastructure
L71	NC-Access Fibre NGA Dist	NC-Access Fibre NGA Distribution	Local Loop Infrastructure
L71	NC-Access Fibre NGA Drop	NC-Access Fibre NGA Drop	Local Loop Infrastructure
L71	NC-Core Fibre	NC-Core Fibre	Exchange to Exchange Infrastructure
L71	NC-Core Fibre NGA	NC-Core Fibre NGA	Exchange to Exchange Infrastructure
L71	NC-CISBO Exch Equip	NC-CISBO Exchange Equipment	Electronics
L71	NC-CISBO CPE Equip	NC-CISBO CPE Equipment	Electronics
L71	NC-TISBO Exch Equip	NC-TISBO Exchange Equipment	Electronics
L71	NC-TISBO CPE Equip	NC-TISBO CPE Equipment	Other
L71	NC-PSTN CPE/NTP	NC-PSTN CPE/NTP	Other
L71	NC-ISDN2 CPE/NTP	NC-ISDN2 CPE/NTP	Other
L71	NC-ISDN 30 CPE/NTP	NC-ISDN 30 CPE/NTP	Other
L71	NC-NGA Exch Equip	NC-NGA Exchange Equipment	Electronics
L71	NC-NGA Systems	NC-NGA Systems	Other
L71	NC-NGA CPE Cons	NC-NGA CPE Consumer	Other
L71	NC-NGA CPE Bus	NC-NGA CPE Business	Other
L71	NC-Tier 1& 2 ATM switches	NC-Tier 1& 2 ATM switches	Electronics
L71	NC-DSLAM	NC-DSLAM	Electronics
L71	NC-Opt Ethernet switches	NC-Optical Ethernet switches	Electronics
L71	NC-Exch - Lines	NC-Exchange - Lines	Exchange Concentrator
L71	NC-Conc - Usage	NC-Concentrator - Usage	Exchange Concentrator
L71	NC-Processor	NC-Processor	Exchange Processor
L71	NC-EYE Fibre	NC-EYE Fibre	RR Comp Excluded
L71	NC-SDH Equipment	NC-SDH Equipment	Electronics
L71	NC-IP Equipment	NC-IP Equipment	Electronics
L71	NC-Bandwidth external	NC-Bandwidth external	Other
L71	NC-Field Ops Copper	NC-Field Ops Copper	Field Maintenance
L71	NC-Field Ops Fibre	NC-Field Ops Fibre	Field Maintenance
L71	NC-Field Ops Other	NC-Field Ops Other	Field Maintenance
L71	NC-Provisioning	NC-Provisioning	Field Provision
L71	WHL-CHANNEL	Wholesale Channel Costs	
L71	WCC-Partners	WCC-Partners	Sales and Product Management
L71	WCC-Billing	WCC-Billing	Other

L71	WWC	Wholesale Working Capital	
L71	CP-STOCK-Network Whls	CP-STOCK-Network Whls	Net Current Assets
L71	CP-STOCK-Fibre	CP-STOCK-Fibre	Net Current Assets
L71	CP-DEBTORS-Whls	CP-DEBTORS-Whls	Net Current Assets
L71	CP-CREDITORS-Whls	CP-CREDITORS-Whls	Net Current Assets
L71	RETC	Retail & Residual	
L71	RETCC	Retail Channel Cost Components	
L71	RCC-Cons-Cust Tech Serv	RCC-Cons-Cust Tech Serv	RR Comp Excluded
L71	RCC-Cons Sales Other	RCC-Cons Sales Other	RR Comp Excluded
L71	RCC-Cons Sales Eng	RCC-Cons Sales Eng	RR Comp Excluded
L71	RCC- SMB- Business Sales	RCC- SMB- Business Sales	RR Comp Excluded
L71	RCC-SMB-Business Marketing	RCC-SMB-Business Marketing	RR Comp Excluded
L71	RCC-SMB-Other	RCC-SMB-Other	RR Comp Excluded
L71	RCC-Billing	RCC-Billing	RR Comp Excluded
L71	RCC-Interconnect	RCC-Interconnect	RR Comp Excluded
L71	RCC-Marketing	RCC-Marketing	RR Comp Excluded
L71	RESIDUAL	RESIDUAL	
L71	NC-OOS BS	NC-OOS BS	RR Comp Excluded
L71	NC-OOS IS	NC-OOS IS	RR Comp Excluded
L71	NC-EYE BS	NC-EYE BS	RR Comp Excluded
L71	RWC	Retail Working Capital	
L71	CP-DEBTORS-Bus	CP-DEBTORS-Bus	Net Current Assets
L71	CP-DEBTORS-Cons	CP-DEBTORS-Cons	Net Current Assets
L71	CP-CREDITORS-Bus	CP-CREDITORS-Bus	Net Current Assets
L71	CP-CREDITORS-Cons	CP-CREDITORS-Cons	Net Current Assets

Annex 1: FAR RFS Categories

Bus-Provisioning
Concentrator EYD
Core IP
Core TDM
CPE
Duct EYD
Exchange Bldg
Network IT
Access Fibre Non-NGA
Network Vehicles
NGA Passive
NGA Support
Outsource NW Support
Processor EYD
Access Equipment
Access-Copper
Access-Copper-Drop
Access-Fibre-NGA-Drop
CISBO-CPE
CISBO-Exch-Equip
Concentrator - Usage
Core-Fibre
DSLAM
NGA CPE
NGA Exchange
Equipment
Optical Ethernet
switches
TISBO-Exchange
Equipment
Billing-CSS-Sys
General IT
Non-network Bldgs
Office Furniture
OLA Out of Scope
EYE Assets
Corporate Assets
Out of Scope

Annex 2: RFS Service Categories

RP-Lines-Res-Conn
RP-Lines-Res-Rent
RP-Lines-Bus-Conn
RP-Lines-Bus-Rent
RP-ISDN2-Res-Conn
RP-ISDN2-Res-Rent
RP-ISDN2-Bus-Conn
RP-ISDN2-Bus-Rent
RP-ISDN30-Bus-Conn
RP-ISDN30-Bus-Rent
RP-DSL-Conn
RP-DSL-Rent
RP-FibreBB-Res-Conn
RP-FibreBB-Res-Rent
RP-FibreBB-Bus-Conn
RP-FibreBB-Bus-Rent
RP-Centrex-Conn
RP-Centrex-Rent
RP-TISBO<8Mb Conn
RP-TISBO-0-1Mb-Rent
RP-TISBO-1-8Mbs-Rent
RP-TISBO>8Mb Conn
RP-TISBO-10-100Mbs-Rent
RP-CISBO-Conn
RP-CISBO-EAS-0-10Mb-Rent
RP-CISBO-EAS-10-100Mb-Rent
RP-CISBO-EAS-0.1-1Gb-Rent
RP-CISBO-EAS-1-10Gb-Rent
RP-CISBO-Etherline-0-10Mb-Rent
RP-CISBO-Etherline-10-100Mb-Rent
RP-CISBO-Etherline-0.1-1Gb-Rent
RP-CISBO-Etherline-I 0-10Mb-Rent
RP-CISBO-Etherline-I-10-100Mb-
Rent
RP-CISBO-Gigaline 0.1-1Gb Rent
RP-CISBO-VPLS-0-10Mb-Rent
RP-CISBO-VPLS-10-100Mb-Rent
RP-CISBO-VPLS-0.1-1Gb-Rent
RP-CISBO-CCTV-Rent
RP-CO-Geo
RP-CO-Loc
RP-CO-FtM
RP-CO-Intl
RP-CO-Prs
RP-CO-OpAs
RP-CO-Karoo
RP-CO-Emer
RP-CO-Pay
RP-CO-ISDN-Data
RP-CO-EYE
RP-IP Line Central 100Mb

RP-IP Line Customer rental
RP-CO-Data
RP-Payphones-Rent
WP-Lines-Res-Conn
WP-Lines-Res-Rent
WP-Lines-Bus-Conn
WP-Lines-Bus-Rent
WP-ISDN2-Res-Conn
WP-ISDN2-Res-Rent
WP-ISDN2-Bus-Conn
WP-ISDN2-Bus-Rent
WP-ISDN30-Bus-Conn
WP-ISDN30-Bus-Rent
WP-DSL-Conn
WP-DSL-Rent
WP-FibreBB-Res-Conn
WP-FibreBB-Res-Rent
WP-FibreBB-Bus-Conn
WP-FibreBB-Bus-Rent
WP-Centrex-Conn
WP-Centrex-Rent
WP-TISBO<8Mb Conn
WP-TISBO-0-1Mb-Rent
WP-TISBO-1-8Mbs-Rent
RP-TISBO>8Mb Conn
WP-TISBO-8-100Mbs-Rent
WP-CISBO-Conn
WP-CISBO-EAS-0-10Mb-Rent
WP-CISBO-EAS-10-100Mb-Rent
WP-CISBO-EAS-0.1-1Gb-Rent
WP-CISBO-EAS-1-10Gb-Rent
WP-CISBO-ECAS-0-10Mb-Rent
WP-CISBO-ECAS-10-100Mb-Rent
WP-CISBO-ECAS-0.1-1Gb-Rent
WP-CISBO-ECAS-1-10Gb-Rent
WP-CISBO-EDAS-0-10Mb-Rent
WP-CISBO-EDAS-10-100Mb-Rent
WP-CISBO-EDAS-0.1-1Gb-Rent
WP-CISBO-EDAS-1-10Gb-Rent
WP-CISBO-Etherline-0-10Mb-Rent
WP-CISBO-Etherline-10-100Mb-Rent
WP-CISBO-Etherline-0.1-1Gb-Rent
WP-CISBO-Etherline-I 0-10Mb-Rent
WP-CISBO-Etherline-I-10-100Mb-
Rent
WP-CISBO-Gigaline 0.1-1Gb Rent
WP-CISBO-VPLS-0-10Mb-Rent
WP-CISBO-VPLS-10-100Mb-Rent
WP-CISBO-VPLS-0.1-1Gb-Rent
WP-CISBO-CCTV-Rent
WP-CO-Geo
WP-CO-Loc
WP-CO-FtM
WP-CO-Intl

WP-CO-Prs
WP-CO-OpAs
WP-CO-Karoo
WP-CO-Emer
WP-CO-Pay
WP-IP Line Central 100Mb
WP-IP Line Customer rental
WP-CO-EYE
WP-CO-Data
WP-CO-ISDND
WP-TISBO-<8Mbs-Conn
WP-TISBO->8Mbs-Conn
WP-CT
WP-Kit
RP-TISBO-<8Mbs-Conn
RP-TISBO->8Mbs-Conn
RP-OTHER
RP-CPE-Rent
RP-Misc
RP-Mob
RP-EYE
RP-CPS-Indirect
RP-Lincs
RP-Chargeable Works
RP-BB-Misc
RECN-OOS
Bespoke Private Circuits
QUERY
RP-Other OLA
RP-Other EYE
RP-EYE Res Line Rent
RP-EYE ADSL Rent
RP-EYE Res Line Conn
RP-EYE ADSL Conn

Annex 3: RFS Components

Layer	Symbol	Name
L71	NC	Components
L71	WHLN	Wholesale Business
L71	NCC	Network Components
L71	NC-Access Copper	NC-Access Copper Cable
L71	NC-Access Fibre LL	NC-Access Fibre Leased Lines
L71	NC-Access Fibre NGA Spine	NC-Access Fibre NGA Spine
L71	NC-Access Fibre NGA Dist	NC-Access Fibre NGA Distribution
L71	NC-Access Fibre NGA Drop	NC-Access Fibre NGA Drop
L71	NC-Core Fibre	NC-Core Fibre
L71	NC-Core Fibre NGA	NC-Core Fibre NGA
L71	NC-CISBO Exch Equip	NC-CISBO Exchange Equipment
L71	NC-CISBO CPE Equip	NC-CISBO CPE Equipment
L71	NC-TISBO Exch Equip	NC-TISBO Exchange Equipment
L71	NC-TISBO CPE Equip	NC-TISBO CPE Equipment
L71	NC-PSTN CPE/NTP	NC-PSTN CPE/NTP
L71	NC-ISDN2 CPE/NTP	NC-ISDN2 CPE/NTP
L71	NC-ISDN 30 CPE/NTP	NC-ISDN 30 CPE/NTP
L71	NC-NGA Exch Equip	NC-NGA Exchange Equipment
L71	NC-NGA Systems	NC-NGA Systems
L71	NC-NGA CPE Cons	NC-NGA CPE Consumer
L71	NC-NGA CPE Bus	NC-NGA CPE Business
L71	NC-Tier 1& 2 ATM switches	NC-Tier 1& 2 ATM switches
L71	NC-DSLAM	NC-DSLAM
L71	NC-Opt Ethernet switches	NC-Optical Ethernet switches
L71	NC-Exch - Lines	NC-Exchange - Lines
L71	NC-Conc - Usage	NC-Concentrator - Usage
L71	NC-Processor	NC-Processor
L71	NC-EYE Fibre	NC-EYE Fibre
L71	NC-SDH Equipment	NC-SDH Equipment
L71	NC-IP Equipment	NC-IP Equipment
L71	NC-Bandwidth external	NC-Bandwidth external
L71	NC-Field Ops Copper	NC-Field Ops Copper
L71	NC-Field Ops Fibre	NC-Field Ops Fibre
L71	NC-Field Ops Other	NC-Field Ops Other
L71	NC-Provisioning	NC-Provisioning
L71	WHL-CHANNEL	Wholesale Channel Costs
L71	WCC-Partners	WCC-Partners
L71	WCC-Billing	WCC-Billing

L71	WWC	Wholesale Working Capital
L71	CP-STOCK-Network Whls	CP-STOCK-Network Whls
L71	CP-STOCK-Fibre	CP-STOCK-Fibre
L71	CP-DEBTORS-Whls	CP-DEBTORS-Whls
L71	CP-CREDITORS-Whls	CP-CREDITORS-Whls
L71	RETC	Retail & Residual
L71	RETCC	Retail Channel Cost Components
L71	RCC-Cons-Cust Tech Serv	RCC-Cons-Cust Tech Serv
L71	RCC-Cons Sales Other	RCC-Cons Sales Other
L71	RCC-Cons Sales Eng	RCC-Cons Sales Eng
L71	RCC- SMB- Business Sales	RCC- SMB- Business Sales
L71	RCC-SMB-Business Marketing	RCC-SMB-Business Marketing
L71	RCC-SMB-Other	RCC-SMB-Other
L71	RCC-Billing	RCC-Billing
L71	RCC-Interconnect	RCC-Interconnect
L71	RCC-Marketing	RCC-Marketing
L71	RESIDUAL	RESIDUAL
L71	NC-OOS BS	NC-OOS BS
L71	NC-OOS IS	NC-OOS IS
L71	NC-EYE BS	NC-EYE BS
L71	RWC	Retail Working Capital
L71	CP-DEBTORS-Bus	CP-DEBTORS-Bus
L71	CP-DEBTORS-Cons	CP-DEBTORS-Cons
L71	CP-CREDITORS-Bus	CP-CREDITORS-Bus
L71	CP-CREDITORS-Cons	CP-CREDITORS-Cons

Annex 4: RFS Network Products

Layer	Symbol	Name
L81	NRP	Wholesale & Retail
L81	WHLB	Wholesale Buisness
L81	NP-WHL	Network Products (WHL)
L81	NP-Lines	NP-Lines
L81	NP-Lines-Res-Conn	NP-Residential Lines-Connection
L81	NP-Lines-Res-Rent	NP-Residential Lines-Rental
L81	NP-Lines-Bus-Conn	NP-Business Lines-Connection
L81	NP-Lines-Bus-Rent	NP-Business Lines-Rental
L81	NP-ISDN2	NP-ISDN2
L81	NP-ISDN2-Res-Conn	NP-Residential Lines-ISDN 2 Connection
L81	NP-ISDN2-Res-Rent	NP-Residential Lines-ISDN 2 Rental
L81	NP-ISDN2-Bus-Conn	NP-Business ISDN 2 Lines-Connection
L81	NP-ISDN2-Bus-Rent	NP-Business ISDN 2 Lines-Rental
L81	NP-ISDN30	NP-ISDN30
L81	NP-ISDN30-Bus-Conn	NP-Business ISDN 30 Lines-Connection
L81	NP-ISDN30-Bus-Rent	NP-Business ISDN 30 Lines-Rental
L81	NP-CO	NP-CO
L81	NP-CO-Local	NP-Call Origination-Local
L81	NP-CO-HEY	NP-Call Origination-HEY
L81	NP-DSL	NP-DSL
L81	NP-DSL-Conn	NP-DSL-Connection
L81	NP-DSL-Rent	NP-DSL-Rental
L81	NP-Fibre Broadband	NP-Fibre Broadband
L81	NP-FibreBB-Res-Conn	NP-Fibre Broadband - Residential-Connection
L81	NP-FibreBB-Res-Rent	NP-Fibre Broadband - Residential-Rental
L81	NP-FibreBB-Bus-Conn	NP-Fibre Broadband - Business-Connection
L81	NP-FibreBB-Bus-Rent	NP-Fibre Broadband - Business-Rental
L81	NP-TISBO	NP-TISBO
L81	NP-TISBO-Conn	NP-TISBO-All bandwidth connection
L81	NP-TISBO-0-1Mbs-Rent	NP-TISBO-0-1Mbs-Rental
L81	NP-TISBO-1-8Mbs-Rent	NP-TISBO-1-8Mbs-Rental
L81	NP-CISBO	NP-CISBO
L81	NP-CISBO-Conn	NP-CISBO-All bandwidth connection
L81	NP-CISBO-0-10Mb-Rent	NP-CISBO-10Mb-Rental
L81	NP-CISBO-10-100Mb-Rent	NP-CISBO-100Mb-Rental
L81	NP-CISBO-0-1-1Gb-Rent	NP-CISBO-1Gb-Rental
L81	NP-CISBO-1-10Gb-Rent	NP-CISBO-10Gb-Rental
L81	NP-CT	NP-CT
L81	NP-Call Termination	NP-Call Termination
L81	NP-Bandwidth	NP-EB
L81	NP-Bandwidth external	NP-External bandwidth
L81	NP-WHL-CHANNEL	Wholesale Channel Costs
L81	NP-WCC-Partners	WCC-Partners
L81	PWCW	Component Working Capital Wholesale
L81	NP-DEBTORS-Whls	NP-DEBTORS-Whls
L81	NP-CREDITORS-Whls	NP-CREDITORS-Whls
L81	RETB	Retail Buisness
L81	NP-RETC	Retail Costs
L81	NP-RCC-Cons-Cust Tech Serv	RCC-Cons-Cust Tech Serv
L81	NP-RCC-Cons Sales Other	RCC-Cons Sales Eng
L81	NP-RCC-Cons Sales Eng	RCC-Cons Sales Eng
L81	NP-RCC- SMB- Business Sales	RCC- SMB- Business Sales
L81	NP-RCC-SMB-Business Marketing	RCC-SMB-Business Marketing
L81	NP-RCC-SMB-Other	RCC-SMB-Other
L81	NP-RCC-Billing	NP-RCC-Billing
L81	NP-RCC-Interconnect	NP-RCC-Interconnect
L81	NP-Marketing	NP-Marketing
L81	NP-RESIDUAL	RESIDUAL
L81	NP-OLA Other IS	NP-OLA Other IS
L81	NP-OOS BS	NP-OOS BS
L81	NP-OOS IS	NP-OOS IS
L81	NP-EYE BS	NP-EYE BS
L81	PWCR	Component Working Capital Retail
L81	NP-STOCK-Network Ret	NP-STOCK-Network Ret
L81	NP-STOCK-Cons	NP-STOCK-Cons
L81	NP-DEBTORS-Bus	NP-DEBTORS-Bus
L81	NP-DEBTORS-Cons	NP-DEBTORS-Cons
L81	NP-CREDITORS-Bus	NP-CREDITORS-Bus
L81	NP-CREDITORS-Cons	NP-CREDITORS-Cons

Annex 5: RFS Wholesale & Retail Products

Layer	Symbol	Name
U91	All Areas	All Areas
U91	HEF	HEF Segment
U91	OLA	OLA
U91	WHP	Wholesale Products
U91	M1	Analogous Exchange Line Services
U91	WP-Lines-Res-Conn	Wholesale Residential Lines-Connection
U91	WP-Lines-Res-Rent	Wholesale Residential Lines-Rental
U91	WP-Lines-Bus-Conn	Wholesale Business Lines-Connection
U91	WP-Lines-Bus-Rent	Wholesale Business Lines-Rental
U91	M2	ISDN 2 Exchange Line Services
U91	WP-ISDN2-Res-Conn	Wholesale Residential Lines-ISDN 2 Connection
U91	WP-ISDN2-Res-Rent	Wholesale Residential Lines-ISDN 2 Rental
U91	WP-ISDN2-Bus-Conn	Wholesale Business ISDN 2 Lines-Connection
U91	WP-ISDN2-Bus-Rent	Wholesale Business ISDN 2 Lines-Rental
U91	M3	ISDN 30 Exchange Line Services
U91	WP-ISDN30-Bus-Conn	Wholesale Business ISDN 30 Lines-Connection
U91	WP-ISDN30-Bus-Rent	Wholesale Business ISDN 30 Lines-Rental
U91	M4	Call Origination on Fixed Public Narrowband Networks
U91	WP-CO-Geo	Wholesale Call Origination-Geographic
U91	WP-CO-Loc	Wholesale Call Origination-Local
U91	WP-CO-FM	Wholesale Call Origination-Fixed to Mobile
U91	WP-CO-Int	Wholesale Call Origination-International
U91	WP-CO-Prs	Wholesale Call Origination-LCA/KFA/PRS
U91	WP-CO-Karop	Wholesale Call Origination-Karoo Metered & Unmetered
U91	WP-CO-Emer	Wholesale Call Origination-Emergency
U91	WP-CO-Pay	Wholesale Call Origination-Payphone
U91	WP-CO-EYE	Wholesale Call Origination-EYE
U91	WP-CO-Data	Wholesale Call Origination-Data
U91	WP-CO-ISDN	Wholesale Call Origination-ISDN Data
U91	M5	Asymmetric Broadband Origination
U91	WP-DSL-Conn	Wholesale DSL Connection
U91	WP-DSL-Rent	Wholesale DSL Rental
U91	WP-FibreB-Res-Conn	Wholesale Fibre Residential Broadband-Connection
U91	WP-FibreB-Res-Rent	Wholesale Fibre Residential Broadband-Rental
U91	WP-FibreB-Bus-Conn	Wholesale Fibre Business Broadband-Connection
U91	WP-FibreB-Bus-Rent	Wholesale Fibre Business Broadband-Rental
U91	M6	TISBO<8Mbs
U91	WP-TISBO-<8Mbs-Conn	Wholesale TISBO <8Mbs-Connection
U91	WP-TISBO-0-1Mb-Rent	Wholesale TISBO Rental 0-1Mbs-Rental
U91	WP-TISBO-1-8Mbs-Rent	Wholesale TISBO Rental 1-8Mbs-Rental
U91	M7	TISBO>8Mbs
U91	WP-TISBO->8Mbs-Conn	Wholesale TISBO >8Mbs-Connection
U91	WP-TISBO-8-100Mbs-Rent	Wholesale TISBO Rental 8-100Mbs-Rental
U91	M8	CISBO
U91	WP-CISBO-Conn	Wholesale CISBO All bandwidth-Connection
U91	WP-CISBO-EAS-0-10Mb-Rent	Wholesale CISBO Ethernet Assured 0-10Mbs-Rental
U91	WP-CISBO-EAS-10-100Mb-Rent	Wholesale CISBO Ethernet Assured 10-100Mbs-Rental
U91	WP-CISBO-EAS-0.1-1Gb-Rent	Wholesale CISBO Ethernet Assured 0.1-1Gbs-Rental
U91	WP-CISBO-EAS-1-10Gb-Rent	Wholesale CISBO Ethernet Assured 1-10Gbs-Rental
U91	WP-CISBO-ECAS-0-10Mb-Rent	Wholesale CISBO ECAS 0-10Mbs-Rental
U91	WP-CISBO-ECAS-10-100Mb-Rent	Wholesale CISBO ECAS 10-100Mbs-Rental
U91	WP-CISBO-ECAS-0.1-1Gb-Rent	Wholesale CISBO ECAS 0.1-1Gbs-Rental
U91	WP-CISBO-ECAS-1-10Gb-Rent	Wholesale CISBO ECAS 1-10Gbs-Rental
U91	WP-CISBO-EDAS-0-10Mb-Rent	Wholesale CISBO EDAS 0-10Mbs-Rental
U91	WP-CISBO-EDAS-10-100Mb-Rent	Wholesale CISBO EDAS 10-100Mbs-Rental
U91	WP-CISBO-EDAS-0.1-1Gb-Rent	Wholesale CISBO EDAS 0.1-1Gbs-Rental
U91	WP-CISBO-EDAS-1-10Gb-Rent	Wholesale CISBO EDAS 1-10Gbs-Rental
U91	WP-CISBO-Etherline-0-10Mb-Rent	Wholesale CISBO Etherline 0-10Mbs-Rental
U91	WP-CISBO-Etherline-10-100Mb-Rent	Wholesale CISBO Etherline 10-100Mbs-Rental
U91	WP-CISBO-Etherline-0.1-1Gb-Rent	Wholesale CISBO Etherline 0.1-1Gbs-Rental
U91	WP-CISBO-Etherline-1-10Gb-Rent	Wholesale CISBO Etherline 1-10Gbs-Rental
U91	WP-CISBO-Etherline-Internet-0-10Mb-Rent	Wholesale CISBO Etherline Internet 0-10Mbs-Rental
U91	WP-CISBO-Etherline-Internet-10-100Mb-Rent	Wholesale CISBO Etherline Internet 10-100Mbs-Rental
U91	WP-CISBO-Gigaline-0.1-1Gb-Rent	Wholesale CISBO Gigaline 0.1-1Gb-Rental
U91	WP-CISBO-VPLS-0-10Mb-Rent	Wholesale CISBO VPLS 0-10Mbs-Rental
U91	WP-CISBO-VPLS-10-100Mb-Rent	Wholesale CISBO VPLS 10-100Mbs-Rental
U91	WP-CISBO-VPLS-0.1-1Gb-Rent	Wholesale CISBO VPLS 0.1-1Gbs-Rental
U91	WP-CISBO-CCTV-Rent	Wholesale CISBO CCTV-Rental
U91	M9	Call Termination
U91	WP-CT	Call Termination
U91	M10	Wholesale Other
U91	WP-Centrex-Rent	Wholesale - Centrex Rental
U91	WP-Centrex-Conn	Wholesale - Centrex Connection
U91	M11	IP Line
U91	WP-IP Line Central 100Mb	WP-IP Line Central 100Mb
U91	WP-IP Line Customer rental	WP-IP Line Customer rental
U91	REP	Retail Products
U91	RP-LINES	Retail Exchange Lines
U91	RP-Lines-Res-Conn	Retail Residential Lines-Connection
U91	RP-Lines-Res-Rent	Retail Residential Lines-Rental
U91	RP-ISDN2-Res-Conn	Retail Residential ISDN2-Conn
U91	RP-ISDN2-Res-Rent	Retail Residential ISDN2-Rental
U91	RP-Lines-Bus-Conn	Retail Business Lines-Connection
U91	RP-Lines-Bus-Rent	Retail Business Lines-Rental
U91	RP-ISDN2-Bus-Conn	Retail Business ISDN 2-Connection
U91	RP-ISDN2-Bus-Rent	Retail Business ISDN 2-Rental
U91	RP-ISDN30-Bus-Conn	Retail Business ISDN 30-Connection
U91	RP-ISDN30-Bus-Rent	Retail Business ISDN 30-Rental
U91	RP-CO	Retail Call Origination
U91	RP-CO-Geo	Retail Call Origination-Geographic
U91	RP-CO-Loc	Retail Call Origination-Local
U91	RP-CO-FM	Retail Call Origination-Fixed to Mobile
U91	RP-CO-Int	Retail Call Origination-International
U91	RP-CO-Prs	Retail Call Origination-LCA/KFA/PRS
U91	RP-CO-Karop	Retail Call Origination-Karoo Metered & Unmetered
U91	RP-CO-Emer	Retail Call Origination-Emergency (No retail element)
U91	RP-CO-Pay	Retail Call Origination-Payphone
U91	RP-CO-EYE	Retail Call Origination-EYE
U91	RP-CO-Data	Retail Call Origination-Data
U91	RP-CO-ISDN	Retail Call Origination-ISDN Data Calls
U91	RP-Broadband	Retail Broadband
U91	RP-DSL-Conn	Retail DSL Connection
U91	RP-DSL-Rent	Retail DSL Rental
U91	RP-FibreB-Res-Conn	Retail Fibre Residential Broadband-Connection
U91	RP-FibreB-Res-Rent	Retail Fibre Residential Broadband-Rental
U91	RP-FibreB-Bus-Conn	Retail Fibre Business Broadband-Connection
U91	RP-FibreB-Bus-Rent	Retail Fibre Business Broadband-Rental
U91	RP-TISBO-<8Mbs	Retail TISBO <8Mbs
U91	RP-TISBO-<8Mbs-Conn	Retail TISBO <8Mbs-Connection
U91	RP-TISBO-0-1Mb-Rent	Retail TISBO Rental 0-1Mbs-Rental
U91	RP-TISBO-1-8Mbs-Rent	Retail TISBO Rental 1-8Mbs-Rental
U91	RP-TISBO->8Mbs	Retail TISBO >8Mbs
U91	RP-TISBO->8Mbs-Conn	Retail TISBO >8Mbs-Connection
U91	RP-TISBO-8-100Mbs-Rent	Retail TISBO Rental 8-100Mbs-Rental
U91	RP-CISBO	Retail CISBO
U91	RP-CISBO-Conn	Retail CISBO All bandwidth-Connection
U91	RP-CISBO-EAS-0-10Mb-Rent	Retail CISBO Ethernet Assured 0-10Mbs-Rental
U91	RP-CISBO-EAS-10-100Mb-Rent	Retail CISBO Ethernet Assured 10-100Mbs-Rental
U91	RP-CISBO-EAS-0.1-1Gb-Rent	Retail CISBO Ethernet Assured 0.1-1Gbs-Rental
U91	RP-CISBO-EAS-1-10Gb-Rent	Retail CISBO Ethernet Assured 1-10Gbs-Rental
U91	RP-CISBO-Etherline-0-10Mb-Rent	Retail CISBO Etherline 0-10Mbs-Rental
U91	RP-CISBO-Etherline-10-100Mb-Rent	Retail CISBO Etherline 10-100Mbs-Rental
U91	RP-CISBO-Etherline-0.1-1Gb-Rent	Retail CISBO Etherline 0.1-1Gbs-Rental
U91	RP-CISBO-Etherline-1-10Gb-Rent	Retail CISBO Etherline 1-10Gbs-Rental
U91	RP-CISBO-Etherline-Internet-0-10Mb-Rent	Retail CISBO Etherline Internet 0-10Mbs-Rental
U91	RP-CISBO-Etherline-Internet-10-100Mb-Rent	Retail CISBO Etherline Internet 10-100Mbs-Rental
U91	RP-CISBO-Gigaline-0.1-1Gb-Rent	Retail CISBO Gigaline 0.1-1Gbs-Rental
U91	RP-CISBO-VPLS-0-10Mb-Rent	Retail CISBO VPLS 0-10Mbs-Rental
U91	RP-CISBO-VPLS-10-100Mb-Rent	Retail CISBO VPLS 10-100Mbs-Rental
U91	RP-CISBO-VPLS-0.1-1Gb-Rent	Retail CISBO VPLS 0.1-1Gbs-Rental
U91	RP-CISBO-CCTV-Rent	Retail CISBO CCTV-Rental

