



Regulatory Financial Statements

2020

Document user guide

BT Regulatory Financial Statements 2020

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Regulatory Financial Statements 2020

Example

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



Ofcom Statement on BT's Regulatory Financial Statements 2020

Introduction

BT's reporting obligations are imposed under SMP conditions and directions related to regulatory reporting¹ set as part of market reviews conducted by Ofcom. Under these SMP conditions, BT is required to publish any written statement made by Ofcom and provided to BT commenting on the data in, the notes to or any presentation of any or all of the RFS, the reconciliation report and/or the Accounting Methodology Documents alongside the audited regulatory financial statements (RFS).

Publication requirements

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

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

Changes to regulatory accounting methodologies

Appendix 4 sets out the methodology changes BT has made in 2019/20 and shows the impact of these changes on the published 2018/19 RFS. Following our review of the Change Control Notification we have not directed BT to withdraw any of its proposed changes, although this does not represent an endorsement of them.

Next Steps

It is important that BT's regulatory reporting obligations remain relevant and appropriate and its RFS will evolve as our regulation develops. For example, this year, BT reports on the Physical Infrastructure Market for the first time, and in Section 8 BT reports on the new interexchange dark fibre services in the Business Connectivity market. This new reporting is the result of Directions issued in our July 2019 Regulatory Reporting Statement.²

The 2020/21 RFS will also show further changes as a result of decisions we made in our July 2019 Regulatory Reporting Statement,² notably additional service level reporting for the Physical Infrastructure market.

Looking further ahead, we published our consultation on BT's regulatory reporting requirements on 6 February 2020³ as part of the Wholesale Fixed Telecoms Market Review. This included proposals to change the form and content of the RFS from 2021/22. We expect to publish our decision on these proposals by April 2021.

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

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

³ <https://www.ofcom.org.uk/consultations-and-statements/category-1/bt-financial-reporting>

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Section 1

Introduction to the Regulatory Financial Statements

Section 1 – Introduction to the Regulatory Financial Statements

1.1 Regulatory Financial Reporting Obligations

The ultimate holding company of British Telecommunications plc ('the Company') is BT Group plc. The terms 'the Group', 'the Company', 'BT', 'we', 'us' or 'our' refer collectively to BT Group plc and its subsidiary undertakings. The form and content of the Regulatory Financial Statements (RFS) are based on the reporting obligations set by Ofcom. We refer to these obligations as the Final Statements (see Section 2.1.4 Final Statements set out by Office of Communications (Ofcom)).

Openreach

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

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

In the 2020 RFS, we are required to report on the following Significant Market Power (SMP) Markets (in the UK excluding the Hull area, modified where stated below):

Market Review	Physical Infrastructure Access (PIMR)	Wholesale Local Access (WLAMR)	Business Connectivity (BCMR)	Narrowband (NMR)	Wholesale Broadband Access (WBAMR)
	PIA	WLA	CI Access Services – BT Only Areas	WFAEL	
			CI Access Services – BT Plus One Areas	ISDN2	
Openreach			High Network Reach Areas Outside CLA (CLA)	ISDN30	
			Technical Areas (Non-Dark Fibre) Inter Exchange		
			Technical Areas (Dark Fibre) Inter Exchange		
				Call origination	WBA Market A
Rest of BT				Call termination	
				Technical Areas-Interconnect Circuits	

Section 1 – Introduction to the Regulatory Financial Statements

1.1 Regulatory Financial Reporting Obligations (continued)

Reporting Financial Performance

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

- Across all of the SMP Markets;
- At market review level encompassing individual SMP Markets; and
- At an individual SMP Market level.

BT SMP Markets

Physical Infrastructure Access Markets

Covers the 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, duct and poles, which are used to carry cables used by a variety of different services within different downstream markets, such as WFAEL and WLA.

PIA
(Physical Infrastructure Access)

Covers physical infrastructure, including underground ducts and telegraph poles.

Wholesale Local Access Markets

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

WLA
(Wholesale Local Access)

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

Business Connectivity Markets

Covers the provision of leased lines and dedicated circuits providing transmission capacity between fixed locations. There are two distinct product markets; Access services which provide connections to end-user business sites and Inter-exchange services which provide core and backhaul connections between BT exchanges in different geographic areas.

CI Access services– BT Only Area

Covers the connections to end-user business sites, in geographic areas where only BT operate.

CI Access services– BT Plus One Area

Covers the connections to end-user business sites, where only BT and no more than one other CP currently operate.

High Network Reach (HNR) Areas Outside Central London Area (CLA)

Consists of access services in Birmingham, Bristol, Edinburgh, Glasgow, Leeds, Manchester and HNR areas in the Rest of UK (RoUK).

Technical Area - Inter-exchange Connectivity (Non-Dark Fibre Circuits)

Consists of the connections between BT exchanges at different geographical areas, such as between towns and cities, where BT Only and BT Plus One other CP are present.

Technical Area - Inter-exchange Connectivity (Dark Fibre Circuits)

Consists of providing network access to optical fibre suitable for the transmission of electromagnetic energy to convey signals, between BT exchanges at different geographical areas, limited to routes from BT Only exchange with no rival networks within 100m.

Section 1 – Introduction to the Regulatory Financial Statements

1.1 Regulatory Financial Reporting Obligations (continued)

BT SMP Markets (continued)

Narrowband Markets

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

<p style="text-align: center;">WFAEL (Wholesale Fixed Analogue Exchange Lines)</p> <p>Copper lines connected to a line card in a BT telephony switch. Used by CPs to provide end-users with voice services. Is a prerequisite for WLA Shared Metallic Path Facilities (SMPF) services.</p>	<p style="text-align: center;">Call Termination (Wholesale Fixed Geographic Call Termination)</p> <p>The wholesale charges for calls to BT fixed lines. These charges are for carrying the call to a BT terminating line from the nearest point in the network at which other CPs could interconnect.</p>
<p style="text-align: center;">ISDN2 (Wholesale ISDN2 exchange line services)</p> <p>Two 64 Kbps channels provided over a single copper line, connected to a line card in a BT telephony switch. Used by CPs to provide business customers with voice and data services.</p>	<p style="text-align: center;">Call Origination (Wholesale call Origination on Fixed Narrowband Network)</p> <p>The wholesale calls originating on our network between the originating fixed line to the first point in the network at which other CPs can interconnect.</p>
<p style="text-align: center;">ISDN30 (Wholesale business ISDN30 exchange line services)</p> <p>Similar functionality to ISDN2 but provides up to 30 x 64 Kbps channels over a single circuit that can be provided over copper, fibre or radio.</p>	<p style="text-align: center;">Technical Areas (Interconnect Circuits)</p> <p>Provision of the physical infrastructure that allows a CP to interconnect with our network. This enables calls to travel between the two networks.</p>

Wholesale Broadband Access Markets

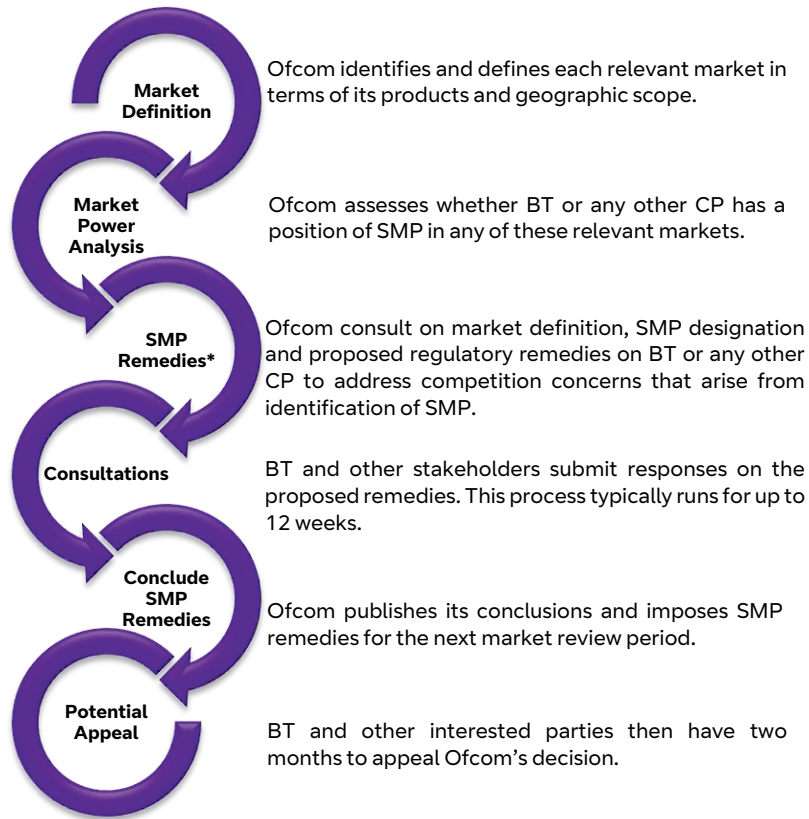
Access and backhaul services that allow CPs to provide their end-user customers with broadband over fixed lines. WBA offers products based off 20th Century Network and 21st Century Network platforms, both copper and fibre technologies.

<p style="text-align: center;">WBA (Market A) (Wholesale Broadband Access (WBA) Market A)</p> <p>Market A covers exchange areas where BT and no more than one other CP are currently, or forecast to be, present.</p>

Section 1 – Introduction to the Regulatory Financial Statements

1.2 Regulatory Market Review Cycle

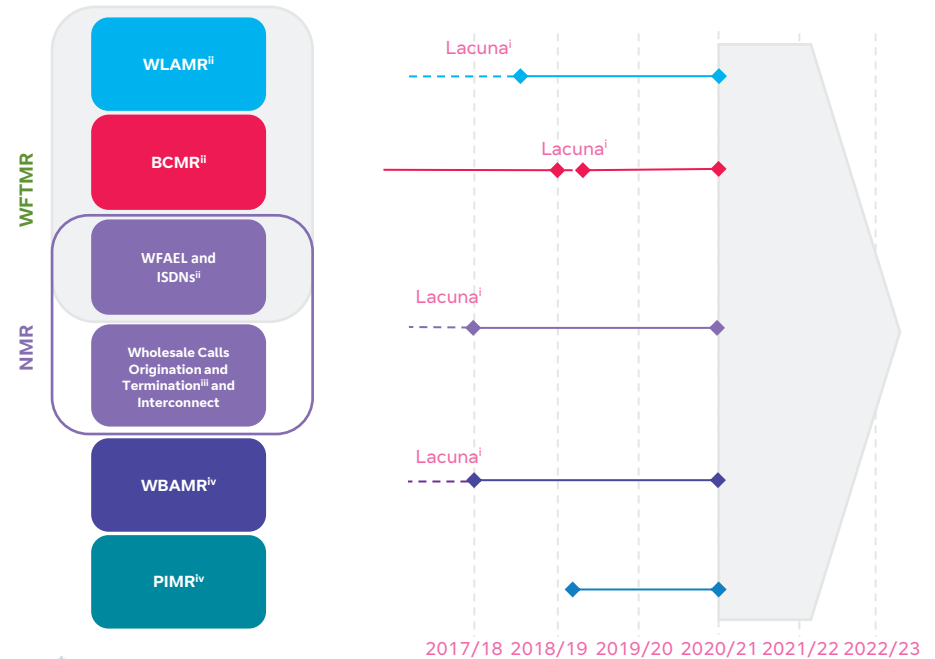
Ofcom reviews some communications markets periodically, in accordance with the EU Common Regulatory Framework, which is implemented in the UK by the Communications Act 2003 as amended. The process involves three analytical stages: Market Definition, Market Power Analysis and SMP Remedies. This is followed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



*Examples of SMP remedies are below:



Market Regulatory Period (BT's Financial Year)



- ◆ Regulatory Period Beginning/Ending
- i Interim period between expired remedies and implementation of new price remedies
- ii Ofcom is assessing regulation across all services in a combined Wholesale Fixed Telecoms Market Review (WFTMR) from 2021
- iii Market will be reviewed in Wholesale Calls Review (WCR) to take effect from 2021
- iv Market will be reviewed as part of the WFTMR (2021 - 2026)

Section 1 – Introduction to the Regulatory Financial Statements

1.2 Regulatory Market Review Cycle (continued)

Wholesale Fixed Telecoms Market Review (WFTMR)

In January 2020 Ofcom published their Consultation for WFTMR. The Consultation Promoting competition and investment in fibre networks- Wholesale Fixed Telecoms Markets 2021-2026, the reporting consultation followed in February 2020 these consultations outline a number of key proposed changes to our regulatory reporting.

Ofcom's policy documents help shift emphasis from retail competition to facilitating competitive investment in full fibre. Its regulatory framework also sees five-year market review periods instead of the current three-year period and looks across the whole of the Wholesale Fixed Telecoms Market rather than considering business and residential connectivity in separate processes. While further detail is still to be worked out, overall Ofcom's consultation document is an important step towards enabling increased investment in Fibre to the Premises (FTTP).

1.3 Risks to regulated activities

Our Annual report 2020 details how the Group manages risk, including identifying, management and oversight of principal risks and enhancing the risk framework on page 52.

No further risks were identified to our regulated activities or SMP markets, other than those identified in our Annual report.

1.4 Factors that may impact future performance

Covid-19

Looking forward, Openreach is seeing an adverse impact on trading as a result of Covid-19. Openreach anticipates lower churn, with reductions in the volume of broadband and ethernet upgrades and provisioning expected, due to reduced business activity, including fewer new site builds. Openreach is prioritising service and maintenance to support vulnerable customers.

1.5 Overall Financial Performance

During the year Return on Capital Employed (ROCE) for total Openreach Markets fell 1.9 percentage points to 9.5%. Revenue growth was the result of higher sales of fibre enabled products partially offset by commercial and regulatory price reductions. Costs rose as a result of increasing Cumulo and salary costs to support FTTP rollout and mean capital employed (MCE) from network investment (predominately fibre enabled infrastructure).

ROCE for total Rest of BT Markets decreased by 0.5 percentage points to 7.6% driven by declining revenue in the traditional calls markets as customers migrate to newer technologies, and an increase in MCE due to the creation of the right of use property assets following IFRS 16 implementation. This is also driven by increased bandwidth revenues for the WBA Market, and cost and MCE reductions due to the withdrawal of the 20CN network.

Section 1 – Introduction to the Regulatory Financial Statements

1.6 Regulatory Market Changes

Physical Infrastructure Access Market

Key Regulatory Changes

Ofcom published the final statement of the Physical Infrastructure Access Market Review (PIMR) on 28 June 2019 the statement covers the period 1 April 2019 to 31 March 2021. Following this we have separated PIA into its own market, with the duct and pole assets previously reflected in the downstream markets now reported in the PIA market and those downstream markets are instead charged a notional cost from this market consistent with a return to PIA at a pre-tax nominal Weighted Average Cost of Capital (WACC) of 7.1% multiplied by MCE. Refer to Appendix 1 of the Regulatory Financial Commentary 2020 for a worked example.

Ofcom also directs BT to use three new published services; Physical Infrastructure for Active Services, PIA Rentals, and PIA Ancillary Charges.

Prices for all services were set as part of the 2018 WLA Market Review, with a price control for the following 2 years, indexed on Consumer Price Index (CPI).

Duct and Poles:

Duct and poles make up a considerable part of the infrastructure network, which carry essential cables used by all connectivity services within downstream markets to facilitate the provision of network access and services to the end customer. These services are used by CPs, which represent direct external sales. However, duct exclusively used for cabinet connectivity for the Fibre to the Cabinet (FTTC) network is excluded from the PIA market.

Margins for Openreach as a whole are unaffected as this reporting change has not created new assets. This change results in a change of the downstream markets' ROCE as assets are no longer reflected in these markets and are instead charged a notional cost from the PIA market.

Summary of Market Financial Performance

Revenue is currently primarily internal totalling £603m (99%), although external volumes continue to grow, a total increase of 4.1% on 2019.

Costs increased 5.4% to £253m as a result of an increase in maintenance and fibre duct depreciation.

MCE has increased 3.3% to £4,939m as a result of continued investment in local duct for optical fibre.

Currently less than 1% of PIA revenue is external as such ROCE has stayed consistent year on year at 7.1%. Internal revenue is a recharge to the downstream markets at cost plus an allowable return (7.1% of MCE).

Section 1 – Introduction to the Regulatory Financial Statements

1.6 Regulatory Market Changes (continued)

Wholesale Local Access Market

Key Regulatory Changes

Ofcom published the final statement of the WLA Market Review on 28 March 2018. This set out the Ofcom policy regarding WLA services and covers the period from 1 April 2018 to 31 March 2021.

A charge control was imposed on copper products with effect from 1 April 2018, whereby Ofcom calculated a cost of capital for copper services of 8.1%. The same review also imposed a charge control for the first time on the lower speed Openreach fibre Generic Ethernet Access (GEA) 40/10 services whereby prices would reduce over the period 1 April 2018 to 31 March 2021. Ofcom reallocated costs between GEA services with different speeds based on the different prices for these services, which results in a lower return for lower bandwidth GEA services and a higher return for higher bandwidth GEA services.

There were no regulatory changes to the WLA Market in the 2020 financial year.

The reporting of the WLA Market has been affected by the introduction of the PIA Market as a result of the PIMR (June 2019), which reduced the capital employed in the WLA market because depreciation and assets were moved out of WLA and to be reported in the PIA market. Returns for Openreach as a whole are unaffected as this reporting change does not reflect the creation of any new assets. The reporting of the WLA Market has also been affected by changes to the valuation of Access Fibres and treatment of Repayment Works (RFR, July 2019).

The WLA Market is currently under review by Ofcom as part of the WFTMR Consultation.

Summary of Market Financial Performance

Revenue increased to £2,434m driven by higher volumes of fibre enabled products, which attract higher rental bases than copper products. The increase was partially offset by price reductions as a result of the commercially driven volume discount offers announced in 2019, which covered our FTTP and FTTC wholesale services, and gave CPs access to long-term discounts in return for upgrading their customers from predominantly copper-based services to GEA- FTTC, G.fast and GEA-FTTP, despite higher volumes of fibre products sold.

Costs increased by 14.7% to £2,092m and MCE increased 16.2% to £4,814m due to high levels of upfront investment in building out the fibre network as part of the Fibre First programme, and increased Cumulo rates. As a result, ROCE decreased 5.5 percentage point from 12.6% to 7.1%.

Section 1 – Introduction to the Regulatory Financial Statements

1.6 Regulatory Market Changes (continued)

Business Connectivity Markets

Key Regulatory Changes

Ofcom's RFR statement, dated 12 July 2019, and the Business Connectivity Market Review (BCMR) statement, published in June 2019 redefined the Business Connectivity Markets and directs changes to:

- Differentiate services based on product type and the presence of alternative providers in the proximity of exchanges, rather than solely geographical locations as was previously the case; and
- Identify a single product market covering all bandwidths.

The Low Bandwidth CISBO Rest of UK, Low Bandwidth CISBO Combined Geographic and Contemporary Interface Symmetric Broadband Origination (CISBO) Residual Markets (previously reported in Openreach residual) reported in the 2018/19 RFS, will be replaced with five new reported markets (listed below) and two Openreach residual markets with no reporting obligation (CI Access Services – CLA and Inter-exchange Connectivity – BT plus two or more):

- i. CI Access services – BT Only Areas
- ii. CI Access services – BT Plus One Areas
- iii. High Network Reach Areas Outside CLA
- iv. Technical Area - Inter-exchange Connectivity (Dark Fibre Circuits); and
- v. Technical Area – Inter-exchange Connectivity (Non-Dark Fibre Circuits) – BT Only and BT Plus One

BT is required to provide access to dark fibre (on reasonable request) for inter-exchange connectivity circuits from certain BT Only exchanges. As such, Ofcom's RFR statement, dated 12 July 2019 (Direction 8 of the A1 Directions), directs BT to report Dark Fibre Revenues and Costs in respect of the 2019 Business Connectivity Markets for six new Services and two new Network Components.

In addition, Ofcom's 2019 PIMR and BCMR statement directs that low bandwidth Traditional Interface (TI) services will be deregulated throughout the UK. The impact of this change is that SMP regulation no longer applies to the Low Bandwidth Traditional Interface Symmetric Broadband Origination (TISBO) Market and it will now be reported in Rest of BT Residual, rather than

being reported separately as its own market. Ofcom's RFR (July 2019) also directed BT to make several changes to allocation methodologies. Further details of these changes can be found in the 2019/20 Change Control Notification. The reporting of Business Connectivity Markets have also been impacted by the introduction of the PIA Market, as a result of the PIMR (June 2019), as well as changes to the valuation of Access Fibres and treatment of Repayment Works (RFR, July 2019). Returns for Openreach as a whole are unaffected as the introduction of the PIA Market does not reflect the creation of any new assets.

Summary of Market Financial Performance

ROCE for the Business Connectivity markets is up to 10.0%. Revenues have risen by 4.6% across the Business Connectivity markets, reflecting higher demand in high bandwidth and newer technology products. Costs were largely consistent with 2019.

Access Markets

Revenue increased 4.4% to £573m as a result of rising demand for technology services such as Ethernet Access Direct (EAD) and Optical Spectrum Access (OSA) Services products, due to their higher bandwidth capabilities. Costs and MCE remained largely consistent between periods at £510m and £1,177m respectively. As a result, ROCE increased 2.0 percentage points to 5.4%.

Inter-exchange Markets

Revenue increased 5.4% to £155m, largely due to volume increases in Ethernet Backhaul Direction (EBD) and Optical Spectrum Services (OSS). Costs decreased 4.4% to £86m following increased volumes in the Access Markets, resulting in a reduction in cost allocations to Inter-exchange Markets. MCE increased 4.3% to £146m attributable to increased investment in network infrastructure. As a result, ROCE increased 6.6 percentage points to 47.3%.

Interexchange Dark Fibre services are presented in the RFS for the first time, with very low volumes.

Section 1 – Introduction to the Regulatory Financial Statements

1.6 Regulatory Market Changes (continued)

Narrowband Markets

Key Regulatory Changes

Ofcom's Narrowband Market Review (NMR) Final Statement, dated November 2017 covering the period to 31 March 2021, directs BT to report Integrated Services Digital Network (ISDN) Circuit Connections, ISDN30 Distributed Data Interface) DDI Connections, and ISDN30 DDI Planning services under 'Other ISDN' published services.

ISDN2 and ISDN30 Market charge controls have remained on existing lines, with ceiling price charge controls based on 2017/18 prices. Transition to deregulation for the provision and rental of new lines started on 1 December 2018. Openreach made a voluntary commitment to continue to support ISDN lines on the same commercial basis and quality of service for all customers wishing to continue to use them until their full withdrawal in 2025.

In the current year ISDN 2 connections are now reported under 'ISDN 2 other' within the RFS. ISDN 30 line connections, ISDN 30 DDI planning connections and ISDN 30 DDI planning are now reported under 'ISDN 30 other' within the RFS. These changes do not affect the overall revenues, costs and MCE for the ISDN Markets.

The WAFEL Market is subject to 'fair and reasonable' charge obligations.

Narrowband Markets also incorporates Calls Markets:

- Fixed Call Origination (CO)- subject to 'fair and reasonable' charge obligations
- Fixed Geographic Call Termination (CT) - charge controls are set at Long Run Incremental Cost (LRIC) to support competition between providers and prevent excessive pricing in call termination rates
- Technical Areas (Digital Local Exchange (DLE) Interconnect Circuits) (IC) - subject to SMP remedies, charge controlled of the interconnect services basket (ISB) at CPI + 0% annual charge and sub-caps on individual ISB services at +10% on top of the ISB cap (CPI + 0%).

The reporting of Narrowband Markets have also been affected by the introduction of the PIA Market, as a result of the PIMR (June 2019), as well as changes to the valuation of Access Fibres and treatment of Repayment Works (RFR, July 2019).

Returns for Openreach as a whole are unaffected as the introduction of the PIA Market does not reflect the creation of any new assets.

WFAEL and ISDN are currently under review by Ofcom as part of the WFTMR Consultation. CO, CT and IC Markets will be reviewed by Ofcom as part of the 2021 Wholesale Calls Review.

Summary of Market Financial Performance

ROCE for the Openreach Narrowband Markets is down 1.2 percentage points to 15.5%.

WFAEL and ISDN Markets

ROCE continues to decline steadily in line with expectations, as the WFAEL, ISDN 2 and ISDN30 markets all continued to see a decline in volumes and revenues which outweighs the impact of reduced costs as customers continue to move to fibre-based products and mobile technology replaces copper fixed lines. Revenue decreased by 5.1% to £1,735m, with cost and MCE decreasing at a slower rate of 3.8% and 2.5% to £1,329m and £2,618m respectively.

Calls Markets

Revenue decreased by 13.7% to £132m and costs fell by 5.5% to £171m. As a result, the ROCE for the Calls Markets continues to be negative and fell by 3.4 percentage points, as volumes continue to decline as customers migrate to newer technologies. There has been an increase in MCE of 9.0% to £243m due to the creation of the right of use property assets following the implementation of IFRS 16.

Section 1 – Introduction to the Regulatory Financial Statements

1.6 Regulatory Market Changes (continued)

Wholesale Broadband Access Markets

Key Regulatory Changes

Ofcom published the Wholesale Broadband Access Market Review on 31 July 2018 covering the period to 31 March 2021.

WBA products are subject to 'fair and reasonable' charge obligations.

There have been no significant changes to the market during the 2020 Financial Year.

The reporting of WBA Markets has been affected by the introduction of the PIA Market, as a result of the PIMR (June 2019), as well as changes to the valuation of Access Fibres and treatment of Repayment Works (RFR, July 2019).

The withdrawal of IPStream began in 2020 as the Digital Subscriber Line Access Multiplexer (DSLAM) platform closes and customers migrate to Wholesale Broadband Connect (WBC) Copper or Fibre.

WBA is currently under review by Ofcom as part of the WFTMR Consultation.

Summary of Market Financial Performance

Revenues increased 24.5% to £127m primarily driven an increase in bandwidth revenues.

Cost have decreased 20.8% to £42m and MCE has decreased by 18.8% to £56m, attributable to the withdrawal of the of 20th Century Network (20CN). The equipment in this market is heavily depreciated and the book returns do not represent a steady state. The intention is to move customers to newer networks so as to be able to close the networks down.

As a result, ROCE increased by 82.1 percentage points to 153.0% . The lack of a significant asset base within this market following the introduction of the new PIA market means that the ROCE is highly volatile.

Section 2

Basis of Preparation

Section 2 – Basis of Preparation

2.1 Basis of Preparation

2.1.1 Regulatory Accounting Framework

The Group financial statements consolidate the financial statements of BT Group plc and its subsidiaries, and include its share of the results of associates and joint ventures using the equity method of accounting.

Our Annual Report details the basis of preparation and explains the accounting policies adopted by the Group. Our Annual Report 2020, on which the independent external auditors issued an unqualified report, did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006 and has been delivered to the Registrar of Companies.

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

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

2.1.2 Regulatory Accounting Principles

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

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

This requirement is reiterated in the RAP amended by Ofcom's SMP conditions imposed following market reviews, most recently within the 'Promoting competition and investment in fibre networks - review of the Physical Infrastructure and Business Connectivity Markets' Final Statement dated 28 June 2019: Annex 26, Schedule 1: PIMR SMP Conditions (BT) - condition 11.8; and Annex 26, Schedule 1: BCMR SMP Conditions (BT) - condition 11.8.

2.1.3 Documentation and Application of the Regulatory Accounting Framework

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

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

Section 2 – Basis of Preparation

2.1.3 Documentation and Application of the Regulatory Accounting Framework (continued)

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

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

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

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

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

2.1.4 Final Statements set out by Ofcom

Below are the Final Statements setting out the legal conditions and directions relevant to the RFS, to which we have complied with, for the year ended 31 March 2020:

- BT Regulatory Financial Reporting Statement 12 July 2019;
- Promoting competition and investment in fibre networks: review of the Physical Infrastructure and Business Connectivity Markets Final Statement 28 June 2019;
- Regulatory Financial Reporting Final Statement 20 March 2019;
- Wholesale Broadband Access Market Review Statement 31 July 2018;

- Wholesale Local Access Market Review Statement 28 March 2018; and
- Narrowband Market Review Statement 30 November 2017.

2.1.5 Changes to BT's Financial Reporting Obligations

Implementation of the change of market structure for the Business Connectivity Markets – See Change Control Notification 2020 (the “CCN 2020”) reference 3.01

This market review redefined the Business Connectivity Markets, replacing the previous three markets (Low Bandwidth CISBO Rest of UK, Low Bandwidth CISBO Combined Geographic, and CISBO Residual) with five new reported markets and two residual markets with no reporting obligations. The impact of the market restructures is shown in Appendix 4.1.3.

Deregulation of the TISBO Market - See CCN 2020 reference 3.02

Ofcom's 2019 PIMR and BCMR final statement directs that low bandwidth TI services will be deregulated throughout the UK. As a result, the Low bandwidth TISBO market is now included within Rest of BT Residual.

Implementation of the NMR 2017 - See CCN 2020 reference 3.03

Ofcom's NMR Final Statement, dated November 2017, directs BT to report ISDN Circuit Connections, ISDN30 DDI Connections, and ISDN30 DDI Planning services under 'Other ISDN' published services.

Implementation of reporting of the Physical Infrastructure Access Market - See CCN 2020 reference 3.04

Ofcom's RFR Statement (July 2019) directs BT to provide performance summary by market or technical area and Ofcom's PIMR statement, provides further details in relation to this. As a result, duct and pole assets will now be reported in the new PIA Market, including three new published services, and downstream markets (such as WLA and WFAEL) will be recharged a notional cost from the PIA market.

The impact of the market restructures is shown in Appendix 4.1.4.

Section 2 – Basis of Preparation

2.1.6 Comparability of Current and Prior Year Results

The 2019/20 results are prepared in accordance with the AMD issued on 31 July 2020. The restated comparatives for the year ended 31 March 2019 reflect methodology changes listed in the CCN 2020 as summarised in section 4.1.4 of Appendix 4, and all known errors above Ofcom's defined materiality threshold as described in section 4.1.5 of Appendix 4. The impact of these changes is shown in Appendix 4.1.4 on pages 138-149.

IFRS16 'Leases'

International Financial Reporting Standard (IFRS) 16 'Leases' replaced IAS17 'Leases' with effect from 1 April 2019. The standard requires lessees to recognise right-of-use assets and lease liabilities for all leases meeting the lease definition set out by the standard unless certain exemptions are available. Accounting for lessors is largely unchanged.

We chose to adopt IFRS16 on a modified retrospective basis. We have recognised the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings at 1 April 2019, i.e. the date of initial application. Prior year comparatives have not been restated for the effect of IFRS16 and continue to be reported under IAS17. For this reason, certain measures may not be directly comparable.

For the year ended 31 March 2020 we have recognised arrangements previously disclosed as operating lease commitments at 31 March 2019 as 'right-of-use (RoU) assets' within MCE. We have also recognised lease liabilities in respect of certain arrangements that were previously accounted for as service contracts because they did not meet the IAS17 lease definition. These relate predominantly to dark fibre and data centre capacity.

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 lease liability over one year for property leases in our asset base. This adoption of IFRS 16 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 (section 5.4).

Section 3

Statement of Responsibility

Section 3 – Statement of Responsibility

3.1 Statement of Responsibility

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

The RFS include comparative information for the year ended 31 March 2019 originally published on 31 July 2019 (the “2019 RFS”). The 2019 RFS were subsequently subject to certain restatements and re-presentations detailed in section 2.1.6. The Reconciliation Report (Appendix 4) provides additional detail on the impact of these methodology changes and errors identified subsequent to publishing the 2019 RFS.

The directors confirm to the best of their knowledge that the RFS for the year ended 31 March 2020 have been prepared in accordance with the requirements of the Final Statements, the AMD and Wholesale Catalogue issued on 31 July 2020 and in accordance with the RAP.

The directors confirm to the best of their knowledge that the comparative information for the year ended 31 March 2019 included in the RFS have been prepared in accordance with the requirements of the Final Statements and the AMD issued on 31 July 2019 subject to certain restatements and re-presentations as detailed in Appendix 4.1.1 and 4.1.3.

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

Openreach

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

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

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

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

The Openreach Financial Statements can be found in Section 5 and include comparative information for the year ended 31 March 2019. These comparatives were subject to certain restatements and representations detailed in Appendix 4.1.1 and 4.1.3.

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

The directors confirm to the best of their knowledge that the Openreach Financial Statements for the year ended 31 March 2020, have been prepared in accordance with the AMD and Wholesale Catalogue issued on 31 July 2020, and comply with the requirements of the Commitments issued on 1 October 2018.

The directors confirm to the best of their knowledge that the comparative information for the Openreach Financial Statements for the year ended 31 March 2019 included in the RFS, have been prepared in accordance with the requirements of the Final Statements and the AMD issued on 31 July 2019 subject to certain restatements and re-presentations as detailed in Appendix 4.1.1 and 4.1.3, and comply with the requirements of the Commitments issued on 1 October 2018.

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

Simon Lowth

Director, British Telecommunications plc

31 July 2020

Section 4

Audit Report

Section 4 – Report of Independent Auditors

4.1 Report of Independent Auditors

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

Opinions

We have audited the non-statutory financial statements of the Company (for the year ended 31 March 2020) which are set out on pages 1 to 167 of the attached report titled Regulatory Financial Statements (the “Regulatory Financial Statements”) as specified in Ofcom’s Final Statements (the “Final Statements”) as described in paragraph 2.1.4 above. These Regulatory Financial Statements are prepared in accordance with the Accounting Methodology Document (“AMD”) and the Wholesale Catalogue (“WC”).

We have audited the information in respect of the Market Financial Statements, Openreach (the “Openreach Information”) and the impact of methodology changes and errors (the “Reconciliation Report”), together referred to as the 2020 Financial Statements, contained within the Regulatory Financial Statements 2020.

The Market Financial Statements comprise the following statements for the year ended 31 March 2020 for the Markets listed on pages 3 and 4:

- a) the Summary of Market Performance on pages 25 to 44; and
- b) the related notes comprising the Basis of Preparation on pages 13 to 15, the individual market summaries and individual market calculations of Fully Allocated Cost based on component costs and usage factors on pages 45 to 124, and Appendix 1 on pages 125 to 131.

The Market Financial Statements include the statements of financial performance for each of the following market groups for the year ended 31 March 2020 shown within the Summary of Market Performance on page 25:

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

The Market Financial Statements also include the statements of financial performance for each market for the year ended 31 March 2020 shown within the Summary of Market Performance on page 25, including those listed below on which we express an opinion (the “PPIA Markets”):

- Physical Infrastructure Access (“PIA”);
- Wholesale Local Access (“WLA”);
- Contemporary Interface (“CI”) Access Services - BT Only
- Contemporary Interface Access Services - BT Plus One
- High Network Reach (“HNR”) Areas outside Central London Area (“CLA”)
- Technical Area – Inter-Exchange Connectivity (“IEC”) (Non-Dark Fibre (“DF”))
- Technical Area - Inter-Exchange Connectivity (DF)
- Wholesale Fixed Analogue Exchange Lines (“WFAEL”);
- Wholesale business ISDN30 exchange line services (“ISDN30”);
- Fixed Call Origination;
- Fixed Geographic Call Termination; and
- Wholesale Broadband Access (Market A) (“WBA–Market A”).

For the avoidance of doubt, we do not express audit opinions in respect of the statements of financial performance for ISDN 2 Exchange Line Services (“ISDN 2”) or Technical areas (DLE Interconnect Circuits) for the year ended 31 March 2020 shown within the Summary of Market Performance on page 25.

The Openreach Information comprises information relating to income, MCE and reconciliation statements for the year ended 31 March 2020, separately reported in the Summary of Market Performance on pages 24 to 44:

The Regulatory Financial Statements for the year ended 31 March 2020 are prepared by British Telecommunications plc (the “Company”) to comply with the Final Statements, and in accordance with the Company’s Accounting Methodology Documents and the Wholesale Catalogue dated 31 July 2020 and in respect of the Openreach information in accordance with the Commitments agreed between the Company and Ofcom dated 1st October 2018 (the “Commitments”).

Section 4 – Report of Independent Auditors

The 2020 Financial Statements include comparative information for the year ended 31 March 2019 first published on 31 July 2019 which has been restated and re-presented by the Company to comply with the Final Statements, and in accordance with the Company's Accounting Methodology Documents and the Wholesale Catalogue dated 31 July 2019 as amended, where applicable, in accordance with "Comparability of Current and Prior Year Results" on page 15. This comparative information includes the restated Summary of Market Performance on page 26 (see schedules under "Restated for the year ended 31 March 2019").

The Reconciliation Report in Appendix 4 shows the impact of methodology changes and errors on revenues, costs and MCE.

Nb. As set out on pages 13 and 14, BT follows Ofcom's Regulatory Accounting Principles ("RAP"), by preparing and annually updating its methodology documentation, the AMD. Any changes to the AMD are notified to Ofcom annually, as part of the Change Control Notification (CCN) process, the documentation of which we review.

In our opinion:

- a) the Financial Statements as a whole, each of the SMP Statements and the Market Summary Statements for each of the PPIA Markets for the year ended 31 March 2020 have been properly prepared in all material respects in accordance with the procedures defined in the Accounting Methodology Documents and the Wholesale Catalogue dated 31 July 2020 and comply with the disclosure requirements of the Final Statements;
- b) the Openreach Information for the year ended 31 March 2020 has been properly prepared in all material respects in accordance with the procedures defined in the Accounting Methodology Documents and the Wholesale Catalogue dated 31 July 2020 and complies with the disclosure requirements of the Commitments and the Final Statements;
- c) the Restated Financial Statements as a whole have been properly prepared in all material respects in accordance with the procedures defined in the Accounting Methodology Documents and the Wholesale Catalogue dated 31 July 2019 as amended, where applicable, in accordance with "Comparability of Current and Prior

Year results" on page 15 and comply with the disclosure requirements of the Final Statements;

- d) for the 2020 Reconciliation Report, all Material Changes were included in the Change Control Notification, the description of each of the Material Changes provided by BT in the Change Control Notification is accurate, BT included each and every Material Change in the reconciliation report and correctly calculated the impact of all changes presented in the Regulatory Financial Statements, the description of each of the Material Errors provided by BT in the reconciliation report is accurate; and
- e) the Corrected Previous Year Figures set out in the reconciliation report are properly prepared in accordance with the Accounting Methodology Documents for the previous Financial Year had these Accounting Methodology Documents not included these Material Errors; and
- f) the 2019 Error Correction schedule as a whole has been properly prepared in accordance with the Accounting Methodology Document and the Wholesale Catalogue dated 31 July 2019 including correction of the identified errors described in Section 4.1.5 of Appendix 4 to the Regulatory Financial Statements.

Basis for opinion

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

KPMG LLP audited the Statutory Financial Statements of BT Group plc (the "Statutory Financial Statements"), which includes British Telecommunications plc, for the years ended 31 March 2020 and 31 March 2019 on which they expressed unmodified audit opinions. Their audit reports on the Statutory Financial Statements describe the scope of their audits of those Statutory Financial Statements. In conducting our subsequent audit of the 2020 Financial Statements, and in providing the opinions above, we have not performed any additional tests of the transactions and balances which are recorded in the general ledgers and other accounting records beyond those already performed for the purpose of the audits of the Statutory Financial Statements.

Section 4 – Report of Independent Auditors

Independence

We remained independent of BT Group plc and its subsidiaries (“the Group”) in accordance with the ethical requirements that are relevant to our audit of the 2020 Financial Statements in the UK, which includes the FRC’s Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – Basis of preparation

In forming our opinions on the 2020 Financial Statements, which are not modified, we draw attention to the fact that the Regulatory Accounts have been prepared in accordance with a special purpose framework for the Directors and Ofcom for the specific purpose as described in the Use of this report paragraph below. The nature, form and content of the Regulatory Financial Statements are determined by Ofcom. It is not appropriate for us to assess whether the nature of the information being reported upon is suitable for Ofcom’s purposes. Accordingly, we make no such assessment.

Conclusions relating to going concern

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

- g) the directors’ use of the going concern basis of accounting in the preparation of the 2020 Financial Statements is not appropriate; or
- h) the directors have not disclosed in the 2020 Financial Statements any identified material uncertainties that may cast significant doubt about the Group’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from 7 May 2020, the date when the Statutory Financial Statements for the year ended 31 March 2020 were authorised for issue.

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

Reporting on other information

The other information comprises all of the information in the Regulatory Financial Statements 2020 other than the 2020 Financial Statements and our auditors’ report thereon.

The directors are responsible for the other information. Our opinion on the 2020 Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the 2020 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 2020 Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the 2020 Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors’ Statement of Responsibility set out on page 17 the directors are responsible for the preparation of the Regulatory Financial Statements under the current cost convention in accordance with:

- a) Ofcom’s Final Statements, as set out in Section 2 of this document; and
- b) the Company’s Accounting Methodology Documents and the Wholesale Catalogue dated 31 July 2020.

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

- the Commitments;
- the Final Statements; and
- the Company’s Accounting Methodology Documents and the Wholesale Catalogue dated 31 July 2020.

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

- the Final Statements;
- in respect of information for the year ended 31 March 2020, the 2020 Basis of Preparation; and

Section 4 – Report of Independent Auditors

- in respect of information for the year ended 31 March 2019, the 2019 Basis of Preparation.

As explained in the “Basis of Preparation” on pages 12 to 15 the Company has, by agreement with BT Group plc, its ultimate parent company, prepared the 2020 Financial Statements by disaggregating balances recorded in the general ledgers and other accounting records of the Group maintained in accordance with the Companies Act 2006 and used, in accordance with that Act, for the preparation of the Statutory Financial Statements for the years ended 31 March 2020 and 31 March 2019.

The Directors are also responsible for determining that the basis of preparation is acceptable in the circumstances and also for such internal control as they determine is necessary to enable the preparation of 2020 Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the 2020 Financial Statements, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing as applicable matters related to going concern, and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic regard the directors’ assessment was made for the purposes of the preparation of the Statutory Financial Statements approved on 6 May 2020 and, therefore, covers a period of at least, but not limited to, twelve month period from that date.

Auditors’ responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance

about whether:

- i) the Market Financial Statements as a whole, each of the Market Group Statements, the statements of financial performance for each of the PPIA Markets and the Openreach Information are properly prepared in all material respects in accordance with the procedures defined in the Accounting Methodology Documents and Wholesale Catalogue dated 31 July 2020 and comply with the disclosure requirements of the Final Statements and in respect of the Openreach Information, the Commitments.
- j) the restated Market Financial Statements as a whole for the year ended 31 March 2019 are properly prepared in all material respects in accordance with the procedures defined in the Accounting

Methodology Documents and Wholesale Catalogue dated 31 July 2019 subject to the changes described in “Comparability of Current and Prior Year Results” on page 15 and comply with the disclosure requirements of the Final Statements.

- k) the 2020 Methodology Change Schedule as a whole is properly prepared in accordance with the 2020 Basis of Preparation and complies with the disclosure requirements of the Final Statements; and
- l) the 2019 Error Correction schedule as a whole is properly prepared in accordance with the 2019 Basis of Preparation and complies with the disclosure requirements of the Final Statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 2020 Financial Statements. In this regard, we have used a quantitative materiality threshold of 2 - 3% of the total revenues or costs of each PPIA Market and Market Group for the purposes of planning and performing our audit.

We also report our opinion as to whether, in the course of conducting our audit, we have become aware of any material changes in costing methodologies used in the preparation of the 2020 Financial Statements compared with the costing methodologies applied in the preparation of the 2019 Financial Statements which were not included in the description of methodology changes published by the Company in the Change Control Notification. Further we read each of the papers approved by the Company’s Accounting Separation Improvement Group (“ASIG”) in the period 1 August 2019 to 31 July 2020 and report any methodology changes expected by management to have a material impact on the 2020 Financial Statements which were approved by the ASIG for use in the preparation of the 2020 Financial Statements for the year ended 31 March 2020 but not included in the description of methodology changes published by the Company in the Change Control Notification.

Section 4 – Report of Independent Auditors

Use of this report

This report, including the opinion, has been prepared for and only for the directors and for Ofcom for the purposes of meeting the Company's obligations under the Final Statements in accordance with our engagement letter with the Company and Ofcom dated 31 March 2020 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the Company, save where expressly agreed by our prior consent in writing.

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

KPMG LLP

Chartered Accountants

London

31 July 2020

Section 5

Summary of Market Performance

Section 5 – Summary of Market Performance

Performance Summary by Market or Technical Area

For the year ended 31 March 2020

	Section	Internal Revenue £m	External Revenue £m	Total Revenue £m	Operating Costs £m	Depreciation £m	Holding (gain)/loss £m	Supp. Dep. £m	Other CCA £m	Adj. Roundings £m	Total CCA Operating Costs £m	Return £m	Mean Capital Employed £m	Return on MCE %
Openreach														
Physical Infrastructure Access Market														
	6.1	603	1	604	126	181	(155)	110	(10)	1	253	351	4,939	7.1 %
WLA														
	7.1	818	1,616	2,434	1,504	591	(55)	64	(12)	-	2,092	342	4,814	7.1 %
Business Connectivity Markets														
CI Access services - BT only														
	8.1	214	186	400	217	154	(1)	2	(1)	-	371	29	867	3.2 %
CI Access services - BT+1														
	8.2	86	68	154	71	54	(0)	0	(0)	-	125	29	281	10.5 %
High Network Reach Areas Outside CLA														
	8.3	10	9	19	8	6	(0)	0	(0)	-	14	5	29	19.8 %
Technical Areas (Non-Dark Fibre) Inter Exchange														
	8.4	104	51	155	50	35	(1)	2	(1)	1	86	69	146	47.9 %
Technical Areas (Dark Fibre) Inter Exchange														
	8.5	-	0	0	0	0	(0)	0	(0)	-	0	-	0	29.6 %
Narrowband Markets														
WFAEL														
	9.1	1,173	383	1,556	847	352	(60)	76	1	-	1,216	340	2,383	14.2 %
ISDN2														
	9.2	25	39	64	23	12	(1)	1	0	1	36	28	67	41.4 %
ISDN30														
	9.3	50	65	115	46	31	(1)	0	0	1	77	38	168	22.5 %
Total Openreach SMP Markets		3,083	2,418	5,501	2,892	1,416	(274)	255	(23)	4	4,270	1,231	13,694	9.0%
Openreach Residual Eliminations		153 (573)	59 -	212 (573)	22 (573)	81 -	(2) -	3 -	(1) -	- -	103 (573)	109 -	441 -	24.9 % -
Total Openreach		2,663	2,477	5,140	2,341	1,497	(276)	258	(24)	4	3,800	1,340	14,135	9.5%
Rest of BT														
Narrowband Markets														
Fixed Call Origination														
		92	27	119	49	31	(1)	0	1	1	81	38	115	33.4 %
Fixed Geographic Call Termination														
	9.4	3	5	8	50	36	(2)	0	2	-	86	(78)	123	(63.5)%
Technical Areas (DLE Interconnect Circuits)														
	9.5	-	5	5	3	2	(0)	0	0	(1)	4	1	5	16.1 %
WBA (Market A)														
	10.1	126	1	127	28	14	(0)	0	(0)	-	42	85	56	153.0 %
Total Rest of BT SMP Markets		221	38	259	130	83	(3)	0	3	-	213	46	299	15.4%
Rest of BT Residual		1,874	20,391	22,265	17,932	2,615	(9)	10	(2)	-	20,546	1,719	23,036	7.5 %
Total Rest of BT		2,095	20,429	22,524	18,062	2,698	(12)	10	1	-	20,759	1,765	23,335	7.6%
Eliminations		(4,759)	-	(4,759)	(4,794)	(29)	1	(2)	1	-	(4,823)	64	(114)	-
Roundings		1	(1)	-	(1)	-	1	2	2	(3)	1	(1)	-	-
Total Markets		-	22,905	22,905	15,608	4,166	(286)	268	(20)	1	19,737	3,168	37,356	8.5%
Total SMP Markets		3,304	2,456	5,760	3,022	1,499	(277)	255	(20)	4	4,483	1,277	13,993	9.1%

Section 5 – Summary of Market Performance

Performance Summary by Market or Technical Area

Restated for the year ended 31 March 2019 (b)

	Section	Internal Revenue £m	External Revenue £m	Total Revenue £m	Operating Costs £m	Depreciation £m	Holding (gain)/loss £m	Supp. Dep. £m	Other CCA £m	Adjs. £m	Roundings £m	Total CCA Operating Costs £m	Return £m	Mean Capital Employed £m	Return on MCE %
Openreach															
Physical Infrastructure Access Market															
	6.1	580	0	580	108	168	(136)	102	(2)	-	-	240	340	4,782	7.1%
WLA															
	7.1	857	1,487	2,344	1,343	480	(50)	60	(9)	-	-	1,824	520	4,142	12.6%
Business Connectivity Markets															
CI Access services - BT only															
	8.1	216	172	388	238	136	(1)	2	(1)	1	-	375	13	872	1.4%
CI Access services - BT+1															
	8.2	84	58	142	75	45	(0)	0	(0)	-	-	120	22	269	8.1%
High Network Reach Areas Outside CLA															
	8.3	11	8	19	9	5	(0)	0	(0)	-	-	14	5	28	15.9%
Technical Areas (Non-Dark Fibre) Inter Exchange															
	8.4	95	52	147	57	32	(1)	2	(1)	1	-	90	57	140	41.2%
Technical Areas (Dark Fibre) Inter Exchange															
	8.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Narrowband Markets															
WFAEL															
	9.1	1,243	370	1,613	907	324	(57)	76	9	-	-	1,259	354	2,440	14.5%
ISDN2															
	9.2	32	47	79	32	10	(1)	2	1	(1)	-	43	36	77	47.9%
ISDN30															
	9.3	60	76	136	57	23	(0)	0	0	-	-	80	56	167	33.3%
Total Openreach SMP Markets															
		3,178	2,270	5,448	2,826	1,223	(246)	244	(3)	1	-	4,045	1,403	12,917	10.9%
Openreach Residual															
		158	48	206	26	73	(2)	3	(1)	-	-	99	107	353	30.2%
Eliminations															
		(545)	-	(545)	(545)	-	-	-	-	-	-	(545)	-	-	-
Total Openreach															
		2,791	2,318	5,109	2,307	1,296	(248)	247	(4)	1	-	3,599	1,510	13,270	11.4%
Rest of BT															
Narrowband Markets															
Fixed Call Origination															
		108	30	138	73	17	(1)	1	1	(1)	-	90	48	112	42.9%
Fixed Geographic Call Termination															
	9.4	3	6	9	69	17	(1)	1	2	(1)	-	87	(78)	107	(73.5)%
Technical Areas (DLE Interconnect Circuits)															
	9.5	-	6	6	4	1	(0)	0	0	(1)	-	4	2	4	36.7%
WBA (Market A)															
	10.1	99	3	102	39	14	(0)	1	(0)	(1)	-	53	49	69	70.9%
Total Rest of BT SMP Markets															
		210	45	255	185	49	(2)	3	3	(4)	-	234	21	292	6.9%
Rest of BT Residual															
		1,981	21,065	23,046	19,232	2,143	(5)	10	(1)	(1)	-	21,378	1,668	20,535	8.1%
Total Rest of BT															
		2,191	21,110	23,301	19,417	2,192	(7)	13	2	(5)	-	21,612	1,689	20,827	8.1%
Eliminations															
		(4,983)	-	(4,983)	(5,036)	(30)	1	(3)	1	1	-	(5,066)	83	(129)	-
Roundings															
		1	-	1	(1)	(1)	(1)	2	-	2	-	1	-	-	-
Total Markets															
		-	23,428	23,428	16,687	3,457	(255)	259	(1)	(1)	-	20,146	3,282	33,968	9.7%
Total SMP Markets															
		3,388	2,315	5,703	3,011	1,272	(248)	247	(0)	(3)	-	4,279	1,424	13,209	10.8%

Section 5 – Summary of Market Performance

5.2 Wholesale Sector Costs

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

EOI Input Prices

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

Provision and Maintenance

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

Network Support

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

General Support

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

General Management

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

Accommodation

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

Other Costs

This includes other costs including PIA costs recharged to downstream markets (and subsequent elimination), finance and billing costs and bad debts. Other costs includes payments to other UK CPs, which are allocated to Rest of BT Residual.

Depreciation

Depreciation is analysed between land and buildings, access, switch, duct and transmission and other (including network power, computers and amortisation of software). The key drivers are engineering models and direct mapping of BT classes of work to network components and then onto the appropriate service based on usage factors and service volumes. Following the adoption of IFRS 16 from 1 April 2019 an additional depreciation charge has been recognised on Right of Use Assets.

Section 5 – Summary of Market Performance

Attribution of Wholesale Current Costs

For the year ended 31 March 2020

	EOI Input Prices £m	Provision/ Maintenance £m	Network Support £m	General Support £m	General Management £m	Accommodation £m	Other Costs £m	Total Operating Costs £m
Openreach								
Physical Infrastructure Access Market	-	32	12	39	37	3	3	126
WLA	-	421	260	196	241	120	266	1,504
Business Connectivity Markets								
CI Access services - BT only	-	35	35	28	59	10	50	217
CI Access services - BT+1	-	15	11	9	23	3	10	71
High Network Reach Areas Outside CLA	-	2	1	1	3	0	1	8
Technical Areas (Non-Dark Fibre) Inter Exchange	-	3	5	3	10	9	20	50
Technical Areas (Dark Fibre) Inter Exchange	-	0	0	0	0	0	0	0
Narrowband Markets								
WFAEL	-	183	117	100	118	63	266	847
ISDN2	-	4	3	2	4	6	4	23
ISDN30	-	10	6	6	9	10	5	46
Total Openreach SMP Markets	-	705	450	384	504	224	625	2,892
Openreach Residual	-	75	18	19	22	14	(126)	22
Eliminations	-	-	-	-	-	-	(573)	(573)
Total Openreach	-	780	468	403	526	238	(74)	2,341
Rest of BT								
Narrowband Markets								
Fixed Call Origination	-	5	5	3	13	23	0	49
Fixed Geographic Call Termination	-	6	5	3	8	27	1	50
Technical Areas (DLE Interconnect Circuits)	-	1	0	0	0	1	1	3
WBA (Market A)	16	2	1	1	2	4	2	28
Total Rest of BT SMP Markets	16	14	11	7	23	55	4	130
Rest of BT Residual	959	(306)	(42)	3,396	11,550	429	1,946	17,932
Total Rest of BT	975	(292)	(31)	3,403	11,573	484	1,950	18,062
Eliminations								(4,794)
Roundings								(1)
Total Markets	-	476	434	3,801	12,091	714	(1,908)	15,608
Total SMP Markets	16	719	461	391	527	279	629	3,022

Section 5 – Summary of Market Performance

Land and Buildings £m	Duct, Access Copper and Access Fibre £m	Switch and Transmission £m	Other Related £m	Total Depreciation £m	Total HCA Operating Costs £m	Holding (gain)/loss £m	Supp. Dep. £m	Other CCA Adjs. £m	Roundings £m	Total CCA Operating Costs £m
0	148	13	20	181	307	(155)	110	(10)	1	253
20	410	11	150	591	2,095	(55)	64	(12)	-	2,092
2	77	50	25	154	371	(1)	2	(1)	-	371
1	24	21	8	54	125	(0)	0	(0)	-	125
0	2	3	1	6	14	(0)	0	(0)	-	14
3	-	25	7	35	85	(1)	2	(1)	1	86
0	-	0	0	0	0	(0)	0	(0)	-	0
10	251	8	83	352	1,199	(60)	76	1	-	1,216
1	5	1	5	12	35	(1)	1	0	1	36
2	13	5	11	31	77	(1)	0	0	1	77
39	930	137	310	1,416	4,308	(274)	255	(23)	4	4,270
4	35	21	21	81	103	(2)	3	(1)	-	103
-	-	-	-	-	(573)	-	-	-	-	(573)
43	965	158	331	1,497	3,838	(276)	258	(24)	4	3,800
6	-	7	18	31	80	(1)	0	1	1	81
6	-	8	22	36	86	(2)	0	2	-	86
0	-	0	2	2	5	(0)	0	0	(1)	4
1	0	4	9	14	42	(0)	0	(0)	-	42
13	0	19	51	83	213	(3)	0	3	-	213
74	416	511	1,614	2,615	20,547	(9)	10	(2)	-	20,546
87	416	530	1,665	2,698	20,760	(12)	10	1	-	20,759
				(29)	(4,823)					(4,823)
				(0)	(1)					1
128	1,369	682	1,987	4,166	19,774	(286)	268	(20)	1	19,737
52	930	156	361	1,499	4,521	(277)	255	(20)	4	4,483

Section 5 – Summary of Market Performance

Attribution of Wholesale Current Costs

Restated for the year ended 31 March 2019 (b)

	EOI Input Prices £m	Provision/ Maintenance £m	Network Support £m	General Support £m	General Management £m	Accommodation £m	Other Costs £m	Total Operating Costs £m
Openreach								
Physical Infrastructure Access Market	-	23	9	36	32	2	6	108
WLA	-	372	180	188	240	125	238	1,343
Business Connectivity Markets								
CI Access services - BT only	-	39	33	36	68	13	49	238
CI Access services - BT+1	-	15	10	12	25	4	9	75
High Network Reach Areas Outside CLA	-	2	1	1	3	1	1	9
Technical Areas (Non-Dark Fibre) Inter Exchange	-	3	5	4	11	11	23	57
Technical Areas (Dark Fibre) Inter Exchange	-	-	-	-	-	-	-	-
Narrowband Markets								
WFAEL	-	180	101	125	140	91	270	907
ISDN2	-	5	3	3	5	9	7	32
ISDN30	-	11	6	7	10	15	8	57
Total Openreach SMP Markets	-	650	348	412	534	271	611	2,826
Openreach Residual	-	73	18	25	(1)	21	(110)	26
Eliminations	-	-	-	-	-	-	(545)	(545)
Total Openreach	-	723	366	437	533	292	(44)	2,307
Rest of BT								
Narrowband Markets								
Fixed Call Origination	-	5	4	3	13	38	10	73
Fixed Geographic Call Termination	-	6	4	3	8	39	9	69
Technical Areas (DLE Interconnect Circuits)	-	1	0	0	0	1	2	4
WBA (Market A)	14	2	2	1	4	10	6	39
Total Rest of BT SMP Markets	14	14	10	7	25	88	27	185
Rest of BT Residual	987	18	10	3,408	11,784	789	2,236	19,232
Total Rest of BT	1,001	32	20	3,415	11,809	877	2,263	19,417
Eliminations								(5,036)
Roundings								(1)
Total Markets	-	740	380	3,846	12,332	1,157	(1,768)	16,687
Total SMP Markets	14	664	358	419	559	359	638	3,011

Section 5 – Summary of Market Performance

Land and Buildings £m	Duct, Access Copper and Access Fibre £m	Switch and Transmission £m	Other Related £m	Total Depreciation £m	Total HCA Operating Costs £m	Holding (gain)/loss £m	Supp. Dep. £m	Other CCA Adjs. £m	Roundings £m	Total CCA Operating Costs £m
0	144	13	11	168	276	(136)	102	(2)	-	240
21	358	10	91	480	1,823	(50)	60	(9)	-	1,824
2	70	50	14	136	374	(1)	2	(1)	1	375
1	20	19	5	45	120	(0)	0	(0)	-	120
0	2	2	1	5	14	(0)	0	(0)	-	14
3	-	26	3	32	89	(1)	2	(1)	1	90
-	-	-	-	-	-	-	-	-	-	-
10	275	7	32	324	1,231	(57)	76	9	-	1,259
1	6	1	2	10	42	(1)	2	1	(1)	43
2	12	6	3	23	80	(0)	0	0	-	80
40	887	134	162	1,223	4,049	(246)	244	(3)	1	4,045
4	34	21	14	73	99	(2)	3	(1)	-	99
-	-	-	-	-	(545)	-	-	-	-	(545)
44	921	155	176	1,296	3,603	(248)	247	(4)	1	3,599
6	-	7	4	17	90	(1)	1	1	(1)	90
6	-	7	4	17	86	(1)	1	2	(1)	87
0	-	0	1	1	5	(0)	0	0	(1)	4
2	0	6	6	14	53	(0)	1	(0)	(1)	53
14	0	20	15	49	234	(2)	3	3	(4)	234
75	20	495	1,553	2,143	21,375	(5)	10	(1)	(1)	21,378
89	20	515	1,568	2,192	21,609	(7)	13	2	(5)	21,612
				(30)	(5,066)					(5,066)
				(1)	(2)					1
131	928	661	1,737	3,457	20,144	(255)	259	(1)	(1)	20,146
54	887	154	177	1,272	4,283	(248)	247	(0)	(3)	4,279

Section 5 – Summary of Market Performance

5.3 Wholesale Current Cost Mean Capital Employed

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

Land and Buildings

This sector contains the asset values that are booked to BT Classes of Work (CoW) for land and buildings, including freehold, long leases and short leases. Buildings held under leases are recognised as right-of-use 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.

The sector includes corporate offices and network buildings owned by BT. Asset values are mainly apportioned based on the use of floor space.

Access - Copper

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

Access - Fibre

This sector contains the asset values for access fibre. Access fibre 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.

Duct

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

Section 5 – Summary of Market Performance

Switch

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

Transmission

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

Other

This sector contains the asset values for a range of assets used by BT businesses including categories such as Software, Motor Transport and 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.

Government Grants

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

Working Capital

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

Section 5 – Summary of Market Performance

Attribution of Wholesale Current Cost Mean Capital Employed

For the year ended 31 March 2020

	Land & Buildings £m	Access - Copper £m	Access - Fibre £m	Duct £m	Switch £m	Transmission £m	Other £m	Less Government Grants £m	Total Non-Current Assets £m
Openreach									
Physical Infrastructure Access Market	3	148	28	4,837	0	(0)	57	(156)	4,917
WLA	222	1,763	2,363	464	15	68	422	(413)	4,904
Business Connectivity Markets									
CI Access services - BT only	20	-	622	-	0	175	70	-	887
CI Access services - BT+1	7	-	192	-	0	66	26	-	291
High Network Reach Areas Outside CLA	1	-	18	-	0	8	3	-	30
Technical Areas (Non-Dark Fibre) Inter Exchange	28	-	0	-	0	95	23	-	146
Technical Areas (Dark Fibre) Inter Exchange	0	-	0	-	0	0	0	-	0
Narrowband Markets									
WFAEL	114	2,037	0	(0)	22	0	208	(0)	2,381
ISDN2	16	38	0	(0)	3	0	12	(0)	69
ISDN30	26	5	105	(0)	2	5	25	(0)	168
Total Openreach SMP Markets	437	3,991	3,328	5,301	42	417	846	(569)	13,793
Openreach Residual	39	101	109	215	0	92	59	-	615
Eliminations	-	-	-	-	-	-	-	-	-
Total Openreach	476	4,092	3,437	5,516	42	509	905	(569)	14,408
Rest of BT									
Narrowband Markets									
Fixed Call Origination	62	-	0	-	8	5	43	-	118
Fixed Geographic Call Termination	71	-	0	-	8	6	49	-	134
Technical Areas (DLE Interconnect Circuits)	2	-	0	-	0	0	2	-	4
WBA (Market A)	13	0	0	-	0	12	23	-	48
Total Rest of BT SMP Markets	148	0	0	-	16	23	117	-	304
Rest of BT Residual	654	24	32	8	861	748	18,754	(6)	21,075
Total Rest of BT	802	24	32	8	877	771	18,871	(6)	21,379
Eliminations									(119)
Roundings									-
Total Markets	1,253	4,103	3,439	5,524	919	1,259	19,747	(576)	35,668
Total SMP Markets	585	3,991	3,328	5,301	58	440	963	(569)	14,097

Section 5 – Summary of Market Performance

Internal Current Assets £m	External Current Assets £m	Total Current Assets £m	Internal Current Liabilities £m	External Current Liabilities £m	Total Current Liabilities £m	Total Assets less Current Liabilities £m	Provisions for liabilities and charges £m	Roundings £m	Total Mean Capital Employed £m
40	62	102	-	(75)	(75)	4,944	(3)	(2)	4,939
160	463	623	-	(690)	(690)	4,837	(22)	(1)	4,814
26	92	118	-	(134)	(134)	871	(4)	-	867
10	33	43	-	(51)	(51)	283	(2)	-	281
1	4	5	-	(6)	(6)	29	(0)	-	29
10	14	24	-	(24)	(24)	146	(1)	1	146
0	0	0	-	(0)	(0)	0	(0)	-	0
102	180	282	-	(265)	(265)	2,398	(14)	(1)	2,383
4	6	10	-	(11)	(11)	68	(1)	-	67
8	18	26	-	(24)	(24)	170	(2)	-	168
361	872	1,233	-	(1,280)	(1,280)	13,746	(49)	(3)	13,694
14	60	74	-	(203)	(203)	486	(46)	1	441
-	-	-	-	-	-	-	-	-	-
375	932	1,307	-	(1,483)	(1,483)	14,232	(95)	(2)	14,135
8	17	25	-	(24)	(24)	119	(3)	(1)	115
1	18	19	-	(27)	(27)	126	(3)	-	123
0	1	1	-	(1)	(1)	4	(0)	1	5
8	5	13	(1)	(6)	(7)	54	(0)	2	56
17	41	58	(1)	(58)	(59)	303	(6)	2	299
(393)	9,987	9,594	1	(7,228)	(7,227)	23,442	(406)	-	23,036
(376)	10,028	9,652	-	(7,286)	(7,286)	23,745	(412)	2	23,335
		(14)			17	(116)			(114)
		-			-	-			-
-	10,945	10,945	-	(8,752)	(8,752)	37,861	(507)	2	37,356
378	913	1,291	(1)	(1,338)	(1,339)	14,049	(55)	(1)	13,993

Section 5 – Summary of Market Performance

Attribution of Wholesale Current Cost Mean Capital Employed

Restated for the year ended 31 March 2019 (b)

	Land & Buildings £m	Access - Copper £m	Access - Fibre £m	Duct £m	Switch £m	Transmission £m	Other £m	Less Government Grants £m	Total Non-Current Assets £m
Openreach									
Physical Infrastructure Access Market	3	156	20	4,673	-	0	33	(155)	4,730
WLA	207	1,765	1,767	449	17	55	289	(423)	4,126
Business Connectivity Markets									
CI Access services - BT only	19	-	641	1	-	170	48	-	879
CI Access services - BT+1	7	-	187	0	-	61	17	-	272
High Network Reach Areas Outside CLA	1	-	17	0	-	8	2	-	28
Technical Areas (Non-Dark Fibre) Inter Exchange	26	-	0	-	-	95	16	-	137
Technical Areas (Dark Fibre) Inter Exchange	-	-	-	-	-	-	-	-	-
Narrowband Markets									
WFAEL	105	2,146	0	1	27	1	118	(0)	2,398
ISDN2	15	49	0	0	4	0	7	(0)	75
ISDN30	24	6	108	0	2	8	13	(0)	161
Total Openreach SMP Markets	407	4,122	2,740	5,124	50	398	543	(578)	12,806
Openreach Residual	39	102	118	195	0	94	43	-	591
Eliminations	-	-	-	-	-	-	-	-	-
Total Openreach	446	4,224	2,858	5,319	50	492	586	(578)	13,397
Rest of BT									
Narrowband Markets									
Fixed Call Origination	61	-	0	-	11	8	22	-	102
Fixed Geographic Call Termination	63	-	0	-	11	9	23	-	106
Technical Areas (DLE Interconnect Circuits)	2	-	0	-	0	0	1	-	3
WBA (Market A)	22	0	0	-	-	16	24	-	62
Total Rest of BT SMP Markets	148	0	0	-	22	33	70	-	273
Rest of BT Residual	705	24	39	(1)	859	873	17,535	(3)	20,031
Total Rest of BT	853	24	39	(1)	881	906	17,605	(3)	20,304
Eliminations									(131)
Roundings									2
Total Markets	1,270	4,233	2,860	5,319	932	1,371	18,169	(582)	33,572
Total SMP Markets	555	4,122	2,740	5,124	72	431	613	(578)	13,079

Section 5 – Summary of Market Performance

Internal Current Assets £m	External Current Assets £m	Total Current Assets £m	Internal Current Liabilities £m	External Current Liabilities £m	Total Current Liabilities £m	Total Assets less Current Liabilities £m	Provisions for liabilities and charges £m	Roundings £m	Total Mean Capital Employed £m
38	68	106	-	(50)	(50)	4,786	(4)	-	4,782
154	429	583	-	(536)	(536)	4,173	(31)	-	4,142
26	82	108	-	(106)	(106)	881	(8)	(1)	872
9	28	37	-	(37)	(37)	272	(3)	-	269
1	3	4	-	(5)	(5)	27	(0)	1	28
10	13	23	-	(18)	(18)	142	(1)	(1)	140
-	-	-	-	-	-	-	-	-	-
106	174	280	-	(217)	(217)	2,461	(21)	-	2,440
5	7	12	-	(8)	(8)	79	(1)	(1)	77
9	17	26	-	(17)	(17)	170	(2)	(1)	167
358	821	1,179	-	(994)	(994)	12,991	(71)	(3)	12,917
14	58	72	-	(185)	(185)	478	(125)	-	353
-	-	-	-	-	-	-	-	-	-
372	879	1,251	-	(1,179)	(1,179)	13,469	(196)	(3)	13,270
9	16	25	-	(13)	(13)	114	(2)	-	112
1	15	16	-	(13)	(13)	109	(2)	-	107
0	1	1	-	(1)	(1)	3	(0)	1	4
7	7	14	(1)	(6)	(7)	69	(1)	1	69
17	39	56	(1)	(33)	(34)	295	(5)	2	292
(389)	8,248	7,859	1	(7,040)	(7,039)	20,851	(318)	2	20,535
(372)	8,287	7,915	-	(7,073)	(7,073)	21,146	(323)	4	20,827
		(15)			15	(131)			(129)
		(1)			-	1			-
-	9,150	9,150	-	(8,237)	(8,237)	34,485	(517)	-	33,968
375	860	1,235	(1)	(1,027)	(1,028)	13,286	(76)	(1)	13,209

Section 5 – Summary of Market Performance

5.4 Openreach Information

Openreach Statements

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

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

Reconciling Differences

The reconciling differences between the Openreach regulatory statement and the Openreach segmental financial information reported in our Annual Report fall into the following main categories:

(a) Specific items

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

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

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

(c) Other trading differences

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

(d) Net short term interest

These are included within our return but not included as adjusted operating profit within our Annual Report.

(e) Share of post tax loss/profit of associates and joint ventures

These are included within our return but not included as adjusted operating profit within our Annual Report.

(f) Installations costs treated as operating expenses

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.

(g) Basis of preparation under CCA

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

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, in accordance with the annually updated AMD. As such, a reconciliation entry has been made to include the aggregated CCA adjustments within the Openreach regulatory statement.

Section 5 – Summary of Market Performance

Reconciliation Statements

For the year ended 31 March 2020

Income Statement – Openreach and BT Group plc

	Openreach			BT Group plc		
	Revenue £m	Operating Cost £m	Return or Operating Profit £m	Revenue £m	Operating Cost £m	Return or Operating Profit £m
As in the Annual Report (Before specific items)	5,112	3,966	1,146	22,824	19,213	3,611
Adjustments						
Specific items (a)	-	49	(49)	81	409	(328)
Use of Technology assets (b)	-	(47)	47	-	-	-
Other trading differences* (c)	30	(244)	274	-	-	-
Net Short term interest (d)	-	-	-	-	4	(4)
Share of post tax loss of associates and joint ventures (e)	-	-	-	-	33	(33)
Installations costs treated as operating expenses (f)	-	116	(116)	-	116	(116)
CCA Adjustments (g)	-	(42)	42	-	(38)	38
Roundings	(2)	2	(4)	-	-	-
As in the RFS	5,140	3,800	1,340	22,905	19,737	3,168

* Other trading differences of £244m includes separately identified payments to other parts of BT for products that form inputs to Openreach products of £1,375m.

Section 5 – Summary of Market Performance

Reconciliation Statements

Restated for the year ended 31 March 2019 (b)

Income Statement – Openreach and BT Group plc

	Openreach			BT Group plc		
	Revenue £m	Operating Cost £m	Return or Operating Profit £m	Revenue £m	Operating Cost £m	Return or Operating Profit £m
As in the Annual Report (Before specific items)	5,075	4,120	955	23,459	19,613	3,846
Adjustments						
Specific items (a)	-	39	(39)	(31)	394	(425)
Use of Technology assets (b)	-	(103)	103	-	-	-
Other trading differences* (c)	35	(561)	596	-	-	-
Net Short term interest (d)	-	-	-	-	30	(30)
Share of post tax profit of associates and joint ventures (e)	-	-	-	-	(1)	1
Installations costs treated as operating expenses (f)	-	109	(109)	-	109	(109)
CCA Adjustments (g)	-	(5)	5	-	3	(3)
Roundings	(1)	-	(1)	-	(2)	2
As in the RFS	5,109	3,599	1,510	23,428	20,146	3,282

* Other trading differences of £561m includes separately identified payments to other parts of BT for products that form inputs to Openreach products of £1,606m.

Section 5 – Summary of Market Performance

Reconciliation Statements 2020 and 2019

As at 31 March

Mean Capital Employed - BT Group plc	2020 £m	2019 £m		2020 £m	2019 £m
Total assets less current liabilities as in the Annual Report	42,081	36,685			
Adjustments			Openreach		
Corporate taxes	(46)	(95)	Physical Infrastructure Access Market	4,939	4,782
Deferred taxes	(300)	(1,347)	Wholesale Local Access	4,814	4,142
Derivative financial instruments	(2,443)	(1,544)	Business Connectivity Markets	1,323	1,309
Loans due within one year	1,566	1,390	Narrowband Markets	2,618	2,684
Provisions	(431)	(582)	Total Openreach SMP	13,694	12,917
Installations costs treated as operating expenses ¹	(1,163)	(1,029)	Rest of BT		
IFRS 16 ²	(2,277)	-	Narrowband Markets	243	223
Closing HCA capital employed at 31 March	36,987	33,478	WBA (Market A)	56	69
			Total Rest of BT SMP	299	292
CCA Adjustments	2,142	2,105	Openreach Residual	441	353
Roundings	-	-	Rest of BT Residual	23,036	20,535
Closing CCA capital employed at 31 March	39,129	35,583	Eliminations	(114)	(129)
Opening CCA capital employed at 1 April	35,583	32,353	Roundings	-	-
Total CCA mean capital employed in the RFS	37,356	33,968	Total CCA mean capital employed in the RFS	37,356	33,968

¹ Installation costs treated as operating expenses – see point (f) of reconciling differences in section 5.4

² IFRS 16 – see details in section 2.1.6

Section 5 – Summary of Market Performance

5.5 Adjusted Performance Summary

Ofcom's "Directions in relation to BT's regulatory financial reporting", most recently published on 12 July 2019, directs BT to prepare the "Adjusted Financial Performance at a market review level" statement and the "Adjusted Financial Performance at a market level" statement for 2018 WLA and 2019 BCMR markets, respectively, in order to show for each Financial Year the impact on the Regulatory Financial Statements of:

- Calculating an average of the Property Rationalisation Costs incurred in the three prior Financial Years and attributing that average to all markets in accordance with the RAP;
- Calculating an average of the Restructuring Costs incurred in the three prior Financial Years and attributing that average to all markets in accordance with the RAP.

The RFR (March 19) further directs in relation to the 2018 WLA markets:

- BT shall calculate the net proceeds in scrap value that BT will recoup when it moves to an FTTx only network. BT should discount its calculation using its WACC;
- BT shall set and maintain the Net Replacement Costs (NRC): Gross Replacement Cost (GRC) ratio at 50% and adjust the asset lives to equate to the accounting book lives to calculate the Operating Capability Maintenance (OCM) depreciation for the following network components:
 - a) Metallic Path Facilities (MPF) line testing systems;
 - b) Local Loop Unbundling systems development;
 - c) Wholesale Access specific;
 - d) Local exchanges general frames equipment;
 - e) Local exchanges general frames maintenance;
 - f) Analogue line test equipment;
 - g) Analogue line cards;
 - h) Co-mingling power and vent; and

- i) Combi Card and Multi Service Access Node (MSAN) Access – Voice.

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

Section 5 – Summary of Market Performance

Adjusted Financial Performance at a market review level

For the year ended 31 March 2020

	As reported									Estimated impacts				Revised return		
	Revenue £m	HCA Costs £m	CCA Adjustments £m	CCA Roundings £m	CCA Operating Costs £m	Return £m	MCE £m	Return on MCE %	Revenue £m	CCA Operating Costs £m	Return £m	MCE £m	Revised Return £m	Revised MCE £m	Revised Return on MCE Δ%	
Physical Infrastructure Access Market	604	307	(55)	1	253	351	4,939	7.1%	-	-	-	-	351	4,939	7.1%	
Wholesale Local Access Markets	2,434	2,095	(3)	-	2,092	342	4,814	7.1%	-	5	(5)	212	337	5,026	6.7%	
Business Connectivity Markets	728	595	-	1	596	132	1,323	10.0%	-	1	(1)	-	131	1,323	9.9%	
Narrowband Markets	1,867	1,482	16	2	1,500	367	2,861	12.8%	-	-	-	-	367	2,861	12.8%	
Wholesale Broadband Markets	127	42	-	-	42	85	56	153.0%	-	-	-	-	85	56	153.0%	
Total SMP Markets	5,760	4,521	(42)	4	4,483	1,277	13,993	9.1%	-	6	(6)	212	1,271	14,205	8.9%	

Estimated impacts

	Revenue £m	CCA Operating Costs £m	Return £m	MCE £m
Adjusted NRC for WLA components	-	20	(20)	212
Property Rationalisation	-	-	-	-
Restructuring Costs	-	5	(5)	-
Residual Copper	-	(19)	19	-
	-	6	(6)	212

Section 5 – Summary of Market Performance

Adjusted Financial Performance at a market review level

Restated for the year ended 31 March 2019 (b)

	As reported								Estimated impacts				Revised return		
	Revenue £m	HCA Costs £m	CCA Adjustments £m	CCA Roundings £m	CCA Operating Costs £m	Return £m	MCE £m	Return on MCE %	Revenue £m	CCA Operating Costs £m	Return £m	MCE £m	Revised Return £m	Revised MCE £m	Revised Return on MCE Δ%
Physical Infrastructure Access Market	580	276	(36)	-	240	340	4,782	7.1%	-	-	-	-	340	4,782	7.1%
Wholesale Local Access Markets	2,344	1,823	1	-	1,824	520	4,142	12.6%	-	26	(26)	220	494	4,362	11.3%
Business Connectivity Markets	696	597	-	2	599	97	1,309	7.4%	-	(1)	1	-	98	1,309	7.5%
Narrowband Markets	1,981	1,534	33	(4)	1,563	418	2,907	14.3%	-	-	-	-	418	2,907	14.4%
Wholesale Broadband Markets	102	53	1	(1)	53	49	69	70.9%	-	-	-	-	49	69	70.9%
Total SMP Markets	5,703	4,283	(1)	(3)	4,279	1,424	13,209	10.8%	-	25	(25)	220	1,399	13,429	10.4%

Estimated impacts

	Revenue £m	CCA Operating Costs £m	Return £m	MCE £m
Adjusted NRC for WLA components	-	39	(39)	220
Property Rationalisation	-	2	(2)	-
Restructuring Costs	-	(1)	1	-
Residual Copper	-	(15)	15	-
	-	25	(25)	220

Section 6

Review of the Physical Infrastructure Market

Section 6 – Review of Physical Infrastructure Access Markets

Physical Infrastructure Access Summary

For the year ended 31 March 2020

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Service											
Physical Infrastructure for Active Services	602.0	-	602.0	(ux)	(ux)	(ux)	(sx)	(sx)	602.0	-	602.0
PIA Rentals	-	0.5	0.5	(ux)	(ux)	(ux)	(sx)	(sx)	-	1.5	1.5
PIA Ancillary Charges	-	0.2	0.2	(ux)	(ux)	(ux)	(sx)	(sx)	-	0.0	0.0
New build and enabling works above the financial limit	0.8	-	0.8	(ux)	(ux)	(ux)	(sx)	(sx)	0.8	-	0.8
Rounding	-	-	-						-	-	-
Total Physical Infrastructure Markets	602.8	0.7	603.5						602.8	1.5	604.3

Notes:

1. New build and enabling work

	Internal FAC £m	External FAC £m
Gross new build and enabling works	2.3	0.3
Less enabling works above financial limit	-	-
Net new build and enabling works	2.3	0.3
Net enabling works included in PIA services	-	0.3
Net enabling works included in other PIMR services	1.5	-
	1.5	0.3

2. Internal Revenue and FAC split

	Openreach £m	Rest of BT £m
Internal revenue	572.8	30.0
Internal FAC	572.8	30.0

Section 6 – Review of Physical Infrastructure Access Markets

Physical Infrastructure Access calculation of FAC based on component costs and usage factors

For the year ended 31 March 2020

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.1)	Physical Infrastructure for Active Services		PIA Rentals		PIA Ancillary Charges		New build and enabling works above the financial limit		
		Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %	
Components	Unit (a)									
PIMR Costs	%	£599m	99.3%	-	-	35.1%	-	-	-	-
PIMR Costs - Downstream Asset	%	£1m	-	-	-	-	-	-	99.3%	-
Ofcom Administration Fee Openreach	%	£3m	0.1%	-	-	0.0%	-	8.8%	0.1%	-
Openreach sales product management	%	£14m	0.0%	-	-	64.7%	-	-	-	-
Revenue Receivables	%	£43m	0.6%	-	-	0.2%	-	91.2%	0.6%	-
Rounding		-	-	-	-	-	-	-	-	-
Fully Allocated Cost (£ or %)			100.0%	-	-	100.0%	-	100.0%	100.0%	-
		Volume (units)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)
		Fully Allocated Cost (£m)	602.0	-	-	1.5	-	0.0	0.8	-

Section 6 – Review of Physical Infrastructure Access Markets

Physical Infrastructure Access Summary

Restated for the year ended 31 March 2019 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Service											
Physical Infrastructure for Active Services	579.8	-	579.8	(ux)	(ux)	(ux)	(sx)	(sx)	579.8	-	579.8
PIA Rentals	-	0.1	0.1	(ux)	(ux)	(ux)	(sx)	(sx)	-	0.2	0.2
PIA Ancillary Charges	-	0.2	0.2	(ux)	(ux)	(ux)	(sx)	(sx)	-	0.0	0.0
New build and enabling works above the financial limit	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-
Rounding	-	-	-						-	-	0.1
Total Physical Infrastructure Markets	579.8	0.3	580.1						579.8	0.2	580.1

Section 6 – Review of Physical Infrastructure Access Markets

Physical Infrastructure Access calculation of FAC based on component costs and usage factors

Restated for the year ended 31 March 2019 (b)

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.2)	Physical Infrastructure for Active Services		PIA Rentals		PIA Ancillary Charges		New build and enabling works above the financial limit		
		Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %	
Components	Unit (a)									
PIMR Costs	%	£576m	99.3%	-	-	46.0%	-	-	-	-
PIMR Costs - Downstream Asset	%	£0m	-	-	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£5m	0.1%	-	-	0.0%	-	12.4%	-	-
Openreach sales product management	%	£15m	0.0%	-	-	53.6%	-	-	-	-
Revenue Receivables	%	£44m	0.6%	-	-	0.3%	-	87.6%	-	-
Rounding			-	-	-	0.1%	-	-	-	-
Fully Allocated Cost (£ or %)			100.0%	-	-	100.0%	-	100.0%	-	-
		Volume (units)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)
		Fully Allocated Cost (£m)	579.8	-	-	0.2	-	0.0	-	-

Section 7

Review of Wholesale Local Access Markets

Section 7 – Review of Wholesale Local Access Markets

WLA Summary

For the year ended 31 March 2020

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Service											
GEA FTTC 40/10 Rentals	88.7	207.9	296.6	1,475,598	3,430,694	lines	60.13	60.61	69.8	162.6	232.4
GEA Other 40/10 Rentals	6.4	0.0	6.4	48,186	51	lines	132.54	147.44	43.7	0.0	43.7
GEA Other Bandwidth Rentals	468.1	193.3	661.4	5,626,583	2,744,488	lines	83.20	70.43	574.8	130.8	705.6
GEA FTTC 40/10 PCP Only Install	25.1	45.9	71.0	547,318	962,566	conns	45.92	47.67	35.0	62.6	97.6
GEA FTTC 40/10 PCP Start of Stopped Line	0.2	0.6	0.8	68,770	117,304	conns	2.99	4.74	0.5	0.8	1.3
GEA FTTP 40/10 Connections Voice and Data	1.8	-	1.8	19,067	-	conns	94.10	-	0.3	-	0.3
GEA FTTP 40/10 Connections Transitions	1.0	-	1.0	18,478	-	conns	52.35	-	4.5	-	4.5
GEA Cablelink 1 Gbps Connections	2.0	3.2	5.2	3,837	6,182	conns	521.00	521.00	2.3	3.7	6.0
GEA Cablelink 10 Gbps Connections	2.8	3.3	6.1	2,656	3,127	conns	1,042.00	1,042.00	2.5	3.0	5.5
GEA Bandwidth Modify to 40/10	1.0	0.9	1.9	168,374	150,054	amendments	5.82	5.82	0.5	0.4	0.9
GEA VLAN Moves Applied to Cablelink	18.8	1.3	20.1	3,229,586	228,961	amendments	5.82	5.82	9.3	0.7	10.0
GEA 40/10 Cancel/Amend/Modify - CRD	1.5	1.8	3.3	261,885	308,112	amendments	5.82	5.82	0.8	0.9	1.7
GEA 40/10 Cancel/Amend/Modify - Regrades	1.7	1.0	2.7	295,249	164,490	amendments	5.82	5.82	0.8	0.5	1.3
GEA CP to CP Migrations	1.1	1.9	3.0	367,649	651,973	amendments	2.99	2.99	2.5	4.5	7.0
GEA Superfast Visit Assure	25.8	21.1	46.9	198,191	161,923	amendments	130.00	130.00	33.5	27.4	60.9
MPF Rentals (SML1)	0.2	732.6	732.8	2,287	8,538,563	lines	85.81	85.80	0.2	718.1	718.3
MPF New Provides	0.2	52.5	52.7	6,528	1,618,234	conns	37.25	32.42	0.2	50.3	50.5
MPF Single Migrations	-	12.9	12.9	-	512,841	conns	-	25.16	-	14.5	14.5
MPF Bulk Migrations	-	0.1	0.1	-	6,102	conns	-	18.29	-	0.2	0.2
MPF Cancellation of Orders	0.0	1.5	1.5	674	259,936	cancellations	5.82	5.82	0.0	0.8	0.8
MPF Amend Orders	-	0.3	0.3	-	57,416	amendments	-	5.82	-	0.2	0.2
MPF Standard Line Test	-	0.0	0.0	-	1,717	tests	-	4.11	-	0.0	0.0
Co-mingling New Provide and Rentals	-	55.0	55.0	(ux)	(ux)	(ux)	(sx)	(sx)	-	53.7	53.7
Tie Cables	13.1	4.3	17.4	(ux)	(ux)	(ux)	(sx)	(sx)	8.9	7.3	16.2
Hard Ceases	3.4	14.5	17.9	242,119	937,775	ceases	14.03	15.45	3.7	14.4	18.1
Other MPF Ancillaries	1.3	0.6	1.9	23,870	25,107	ancillaries	53.56	23.63	0.5	0.4	0.9
Special Fault Investigations	10.5	9.2	19.7	(ux)	(ux)	(ux)	(sx)	(sx)	22.1	18.9	41.0
Time Related Charges	4.9	19.4	24.3	(ux)	(ux)	(ux)	(sx)	(sx)	5.6	22.2	27.8
Abortive Visit Charges	4.4	7.1	11.5	62,173	100,862	visits	70.00	70.00	3.9	6.3	10.2
Other WLA	156.8	238.1	394.9	(ux)	(ux)	(ux)	(sx)	(sx)	197.3	241.2	438.5
WLA IFRS 15	1.3	4.8	6.1	(ux)	(ux)	(ux)	(sx)	(sx)	(0.6)	(2.9)	(3.5)
WLA SLG	(24.1)	(19.4)	(43.5)	(ux)	(ux)	(ux)	(sx)	(sx)	(25.1)	(20.2)	(45.3)
Rounding	-	(0.2)	(0.2)						(0.2)	(0.3)	(0.5)
Total WLA	818.0	1,615.5	2,433.5						997.3	1,523.0	2,520.3
Adjustment for internal	(58.9)	(179.3)	(238.2)						(58.9)	(179.3)	(238.2)
Total WLA (excluding internal)	759.1	1,436.2	2,195.3						938.4	1,343.7	2,282.1

Section 7 – Review of Wholesale Local Access Markets

WLA calculation of FAC based on component costs and usage factors

For the year ended 31 March 2020

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.1)	GEA FTTC 40/10 Rentals		GEA Other 40/10 Rentals		GEA Other Bandwidth Rentals		GEA FTTC 40/10 PCP Only Install		GEA FTTC 40/10 PCP Start of Stopped Line		GEA FTTP 40/10 Connections Voice and Data		GEA FTTP 40/10 Connections Transitions		GEA Cablelink 1 Gbps Connections		
		Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Components	Unit (a)																	
GEA Cable Links	£/conn	826.29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	534.78	534.78
GEA FTTC Distribution Fibre Spine	£/rental	4.80	4.80	4.80	-	-	4.49	4.80	-	-	-	-	-	-	-	-	-	-
GEA FTTP Distribution Fibre Spine	£/rental	341.89	-	-	341.89	341.89	21.72	0.04	-	-	-	-	-	-	-	-	-	-
GEA FTTC Access Fibre Spine	£/rental	1.40	1.40	1.40	-	-	1.31	1.40	-	-	-	-	-	-	-	-	-	-
GEA FTTP Access Fibre Spine	£/rental	154.43	-	-	154.43	154.43	9.81	0.02	-	-	-	-	-	-	-	-	-	-
GEA FTTC Electronics	£/rental	1.23	1.23	1.23	-	-	1.16	1.23	-	-	-	-	-	-	-	-	-	-
GEA FTTP Electronics	£/rental	41.80	-	-	41.80	41.80	2.66	0.00	-	-	-	-	-	-	-	-	-	-
GEA FTTC Customer Site Electronics	%	£163m	-	-	-	-	-	-	41.96	41.96	-	-	-	-	-	-	-	-
GEA FTTP Customer Site Installation	%	£40m	-	-	-	-	-	-	-	-	-	-	-	173.41	-	-	-	-
GEA FTTC Provisions	%	£43m	-	-	-	-	-	-	11.09	11.09	-	-	-	-	-	-	-	-
GEA FTTP Provisions	%	£4m	-	-	-	-	-	-	-	-	-	-	-	19.33	-	-	-	-
GEA FTTP Repairs	%	£3m	-	-	6.39	6.39	0.41	0.00	-	-	-	-	-	-	-	-	-	-
GEA FTTC Repairs	%	£19m	1.49	1.49	-	-	1.39	1.49	-	-	-	-	-	-	-	-	-	-
GEA DSLAM Cabinets	%	£129m	9.92	9.92	-	-	9.29	9.91	-	-	-	-	-	-	-	-	-	-
NGA Visit Assure	%	£58m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NGA E side Copper cable	£/line	8.18	8.18	8.18	-	-	7.66	8.18	-	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	3.02	-	-	-	-	-	-	3.02	3.02	3.02	3.02	3.02	-	3.02	-	-	-
FTTC Funded Fibre Rollout Spend	%	£170m	13.09	13.09	-	-	12.25	13.08	-	-	-	-	-	-	-	-	-	-
FTTP Funded Fibre Rollout Spend	%	£59m	-	-	144.08	144.08	9.15	0.02	-	-	-	-	-	-	-	-	-	-
FTTC Fibre Rollout Funding	%	£(41)m	(3.17)	(3.17)	-	-	(2.97)	(3.17)	-	-	-	-	-	-	-	-	-	-
FTTP Fibre Rollout Funding	%	£(16)m	-	-	(38.30)	(38.30)	(2.43)	(0.00)	-	-	-	-	-	-	-	-	-	-
FTTC Development	%	£11m	0.61	0.61	-	-	0.57	0.61	0.61	0.61	0.61	0.61	-	-	-	-	-	-
FTTP Development	%	£26m	-	-	40.75	40.75	2.59	0.00	-	-	-	-	-	40.75	-	-	-	-
Co-mingling power & vent	%	£68m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostels	29.79	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/rooms	1,616.07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WLA tie cables	£/cables	18.58	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MDF Hardware jumpering	£/line	16.13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total			37.55	37.55	691.04	691.04	79.06	37.61	56.68	56.68	3.63	3.63	3.02	-	236.51	-	534.78	534.78

Section 7 – Review of Wholesale Local Access Markets

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

For the year ended 31 March 2020

		Average cost per unit (from Appendix 1.1)	GEA FTTC 40/10 Rentals		GEA Other 40/10 Rentals		GEA Other Bandwidth Rentals		GEA FTTC 40/10 PCP Only Install		GEA FTTC 40/10 PCP Start of Stopped Line		GEA FTTP 40/10 Connections Voice and Data		GEA FTTP 40/10 Connections Transitions		GEA Cablelink 1 Gbps Connections		
Fully Allocated Cost (£ or %)			Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	
			£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Components	Unit (a)																		
MPF line testing systems	£/line	1.42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cumulo Rates Non NGA - Openreach	%	£157m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cumulo Rates NGA	%	£122m	5.65	5.65	120.26	120.26	12.93	5.66	0.04	0.04	0.01	0.01	0.01	-	0.14	-	0.12	0.12	
E side copper current	£/line	3.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
E side copper capital	£/line	4.28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
D side copper current	£/line	10.69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
D side copper capital	£/line	18.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Analogue line drop maintenance	£/line	2.77	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dropwire capital & analogue NTE	£/line	16.13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Analogue line test equipment	£/line	0.07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Local exchanges general frames maintenance	£/line	1.28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Local exchanges general frames equipment	£/line	1.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Abortive Visits	£/trans	62.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Local Loop Unbundling systems development	%	£0m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
OR Service Centre - Assurance GEA	%	£9m	0.55	0.55	0.55	0.55	0.55	0.55	-	-	-	-	-	-	-	-	-	-	
OR Service Centre - Assurance WLA	%	£16m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
OR Service Centre - Provision GEA	%	£38m	-	-	-	-	-	-	2.84	2.84	2.84	2.84	2.84	-	2.84	-	2.84	2.84	
OR Service Centre - Provision WLA	%	£17m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Openreach time related charges	%	£63m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Openreach sales product management	%	£14m	0.02	0.02	0.05	0.05	0.03	0.03	0.02	0.02	0.00	0.00	0.03	-	0.02	-	0.19	0.19	
Special Fault Investigation	%	£41m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ofcom Administration Fee Openreach	%	£3m	0.04	0.04	0.08	0.09	0.05	0.04	0.03	0.03	0.00	0.00	0.06	-	0.03	-	0.31	0.31	
SLG WLA Internal	%	£20m	0.46	-	1.01	-	0.63	-	4.11	-	0.27	-	8.43	-	4.69	-	46.67	-	
SLG WLA External	%	£25m	-	0.56	-	1.36	-	0.65	-	5.16	-	0.51	-	-	-	-	-	56.41	
PIMR Costs	%	£603m	2.65	2.65	92.98	92.98	8.39	2.66	-	-	-	-	-	-	-	-	-	-	
Revenue Receivables	%	£43m	0.37	0.37	0.81	0.90	0.51	0.43	0.24	0.25	0.02	0.03	0.50	-	0.28	-	2.77	2.77	
Rounding			(0.01)	(0.01)	-	-	0.02	0.02	-	-	(0.01)	-	(0.01)	-	-	-	(0.01)	-	
Fully Allocated Cost (£ or %)			47.28	47.38	906.78	907.23	102.17	47.65	63.96	65.02	6.76	7.02	14.88	-	244.51	-	587.67	597.42	
		Volume (units)	1,475,598	3,430,694	48,186		515,626	583,274	4,488,547	3,189	62,566	68,770	117,304	19,067	-	18,478	-	3,837	6,182
		Fully Allocated Cost (£m)	69.8	162.6	43.7	0.0	574.8	130.8	35.0	62.6	0.5	0.8	0.3	-	4.5	-	2.3	3.7	

Section 7 – Review of Wholesale Local Access Markets

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

For the year ended 31 March 2020

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.1)	GEA Cablelink 10 Gbps Connections		GEA Bandwidth Modify to 40/10		GEA VLAN Moves Applied to Cablelink		GEA 40/10 Cancel/Amend/Modify - CRD		GEA 40/10 Cancel/Amend/Modify - Regrades		GEA CP to CP Migrations		GEA Superfast Visit Assure		MPF Rentals (SML1)	
		Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (a)																
GEA Cable Links	£/conn	826.29	826.29	826.29	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Distribution Fibre Spine	£/rental	4.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Distribution Fibre Spine	£/rental	341.89	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Access Fibre Spine	£/rental	1.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Access Fibre Spine	£/rental	154.43	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Electronics	£/rental	1.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Electronics	£/rental	41.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Customer Site Electronics	%	£163m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Customer Site Installation	%	£40m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Provisions	%	£43m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Provisions	%	£4m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Repairs	%	£3m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Repairs	%	£19m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA DSLAM Cabinets	%	£129m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NGA Visit Assure	%	£58m	-	-	-	-	-	-	-	-	-	-	-	161.34	161.34	-	-
NGA E side Copper cable	£/line	8.18	-	-	-	-	-	8.18	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	3.02	-	-	-	-	-	-	-	-	-	3.02	3.02	-	-	-	-
FTTC Funded Fibre Rollout Spend	%	£170m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTP Funded Fibre Rollout Spend	%	£59m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTC Fibre Rollout Funding	%	£(41)m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTP Fibre Rollout Funding	%	£(16)m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTC Development	%	£11m	-	-	-	-	-	-	-	-	-	0.61	0.61	-	-	-	-
FTTP Development	%	£26m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling power & vent	%	£68m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostels	29.79	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/rooms	1,616.07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WLA tie cables	£/cables	18.58	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MDF Hardware jumpering	£/line	16.13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total			826.29	826.29	-	-	-	-	-	-	-	3.63	3.63	161.34	161.34	-	-

Section 7 – Review of Wholesale Local Access Markets

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

For the year ended 31 March 2020

	Average cost per unit (from Appendix 1.1)	GEA Cablelink 10 Gbps Connections		GEA Bandwidth Modify to 40/10		GEA VLAN Moves Applied to Cablelink		GEA 40/10 Cancel/Amend/Modify - CRD		GEA 40/10 Cancel/Amend/Modify - Regrades		GEA CP to CP Migrations		GEA Superfast Visit Assure		MPF Rentals (SML1)		
		Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	
Fully Allocated Cost (£ or %)		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Components	Unit (a)																	
MPF line testing systems	£/line	1.42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.42	1.42
Cumulo Rates Non NGA - Openreach	%	£157m	-	-	-	-	-	-	-	-	-	-	-	-	0.08	0.08	4.37	4.37
Cumulo Rates NGA	%	£122m	0.19	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	-	-	-	-	-
E side copper current	£/line	3.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.60	3.60
E side copper capital	£/line	4.28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.28	4.28
D side copper current	£/line	10.69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.45	9.45
D side copper capital	£/line	18.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18.56	18.56
Analogue line drop maintenance	£/line	2.77	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.77	2.77
Dropwire capital & analogue NTE	£/line	16.13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.13	16.13
Analogue line test equipment	£/line	0.07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.07	0.07
Local exchanges general frames maintenance	£/line	1.28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.28	1.28
Local exchanges general frames equipment	£/line	1.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.41	2.41
Abortive Visits	£/trans	62.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Loop Unbundling systems development	%	£0m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance GEA	%	£9m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£16m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.41	1.41
OR Service Centre - Provision GEA	%	£38m	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84	-	-	-	-	-
OR Service Centre - Provision WLA	%	£17m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach time related charges	%	£63m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach sales product management	%	£14m	0.38	0.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.16	6.82	6.82	0.07	0.07	
Special Fault Investigation	%	£41m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£3m	0.62	0.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.08	0.05	0.05	
SLG WLA Internal	%	£20m	93.33	-	-	-	-	-	-	-	-	-	0.27	-	-	-	0.65	0.65
SLG WLA External	%	£25m	-	112.82	-	-	-	-	-	-	-	-	-	0.32	-	-	-	-
PIMR Costs	%	£603m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17.05	17.05
Revenue Receivables	%	£43m	5.55	5.55	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.02	0.02	0.69	0.69	0.52	0.52	
Rounding			(0.01)	(0.01)	-	-	-	-	-	-	-	(0.01)	-	0.01	0.01	0.01	0.01	
Fully Allocated Cost (£ or %)		929.19	948.68	2.87	2.87	2.87	2.87	2.87	2.87	2.87	2.87	6.92	6.98	169.02	169.02	84.10	84.10	
	Volume (units)	2,656	3,127	168,374	150,054	3,229,586	228,961	261,885	308,112	295,249	164,490	367,649	651,973	198,191	161,923	2,287	8,538,563	
	Fully Allocated Cost (£m)	2.5	3.0	0.5	0.4	9.3	0.7	0.8	0.9	0.8	0.5	2.5	4.5	33.5	27.4	0.2	718.1	

Section 7 – Review of Wholesale Local Access Markets

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

For the year ended 31 March 2020

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.1)	MPF New Provides		MPF Single Migrations		MPF Bulk Migrations		MPF Cancellation of Orders		MPF Amend Orders		MPF Standard Line Test		Co-mingling New Provide and Rentals		Tie Cables	
		Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
		£	£	£	£	£	£	£	£	£	£	£	£	%	%	%	%
Components	Unit (a)																
GEA Cable Links	£/conn	826.29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Distribution Fibre Spine	£/rental	4.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Distribution Fibre Spine	£/rental	341.89	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Access Fibre Spine	£/rental	1.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Access Fibre Spine	£/rental	154.43	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Electronics	£/rental	1.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Electronics	£/rental	41.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Customer Site Electronics	%	£163m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Customer Site Installation	%	£40m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Provisions	%	£43m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Provisions	%	£4m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Repairs	%	£3m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Repairs	%	£19m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA DSLAM Cabinets	%	£129m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NGA Visit Assure	%	£58m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NGA E side Copper cable	£/line	8.18	-	-	-	-	-	8.18	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	3.02	3.02	3.02	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTC Funded Fibre Rollout Spend	%	£170m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTP Funded Fibre Rollout Spend	%	£59m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTC Fibre Rollout Funding	%	£(41)m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTP Fibre Rollout Funding	%	£(16)m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTC Development	%	£11m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTP Development	%	£26m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling power & vent	%	£68m	-	-	-	-	-	-	-	-	-	-	-	-	26.5 %	-	-
Co-mingling rentals	£/hostels	29.79	-	-	-	-	-	-	-	-	-	-	-	-	30.8 %	-	-
Co-mingling set up	£/rooms	1,616.07	-	-	-	-	-	-	-	-	-	-	-	-	36.8 %	-	-
WLA tie cables	£/cables	18.58	-	-	-	-	-	-	-	-	-	-	-	-	-	81.8 %	78.1 %
MDF Hardware jumpering	£/line	16.13	21.25	21.25	-	22.30	-	21.50	-	-	-	-	-	-	-	-	-
Sub Total			24.27	24.27	-	22.30	-	21.50	-	-	-	-	-	-	94.1%	81.8%	78.1%

Section 7 – Review of Wholesale Local Access Markets

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

For the year ended 31 March 2020

	Average cost per unit (from Appendix 1.1)	MPF New Provides		MPF Single Migrations		MPF Bulk Migrations		MPF Cancellation of Orders		MPF Amend Orders		MPF Standard Line Test		Co-mingling New Provide and Rentals		Tie Cables		
		Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %	
Fully Allocated Cost (£ or %)																		
Components	Unit (a)																	
MPF line testing systems	£/line	1.42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cumulo Rates Non NGA - Openreach	%	£157m	0.01	0.01	-	0.01	-	0.01	0.00	0.00	-	0.00	-	0.00	-	3.2 %	2.5 %	2.4 %
Cumulo Rates NGA	%	£122m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E side copper current	£/line	3.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E side copper capital	£/line	4.28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D side copper current	£/line	10.69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D side copper capital	£/line	18.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Analogue line drop maintenance	£/line	2.77	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dropwire capital & analogue NTE	£/line	16.13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Analogue line test equipment	£/line	0.07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames maintenance	£/line	1.28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames equipment	£/line	1.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Abortive Visits	£/trans	62.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Loop Unbundling systems development	%	£0m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance GEA	%	£9m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£16m	-	-	-	-	-	-	-	-	-	-	-	-	-	1.5 %	1.1 %	5.9 %
OR Service Centre - Provision GEA	%	£38m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision WLA	%	£17m	3.06	3.06	-	3.06	-	3.06	3.06	3.06	-	3.06	-	3.06	-	0.1 %	13.5 %	12.9 %
Openreach time related charges	%	£63m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach sales product management	%	£14m	0.03	0.03	-	0.02	-	0.01	0.00	0.00	-	0.00	-	0.00	-	0.5 %	0.1 %	0.3 %
Special Fault Investigation	%	£41m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£3m	0.02	0.02	-	0.01	-	0.01	0.00	0.00	-	0.00	-	0.00	-	0.1 %	0.1 %	0.0 %
SLG WLA Internal	%	£20m	3.34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SLG WLA External	%	£25m	-	3.51	-	2.72	-	1.98	-	-	-	-	-	-	-	-	-	-
PIMR Costs	%	£603m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£43m	0.20	0.17	-	0.13	-	0.10	0.03	0.03	-	0.03	-	0.02	-	0.6 %	0.9 %	0.4 %
Rounding			-	-	-	0.01	-	-	-	-	-	-	-	-	(0.1)%	-	-	-
Fully Allocated Cost (£ or %)			30.93	31.07	-	28.26	-	26.67	3.09	3.09	-	3.09	-	3.08	-	100.0%	100.0%	100.0%
	Volume (units)		6,528	1,618,234	-	512,841	-	6,102	674	259,936	-	57,416	-	1,717	(ux)	(ux)	(ux)	(ux)
	Fully Allocated Cost (£m)		0.2	50.3	-	14.5	-	0.2	0.0	0.8	-	0.2	-	0.0	-	53.7	8.9	7.3

Section 7 – Review of Wholesale Local Access Markets

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

For the year ended 31 March 2020

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.1)	Hard Ceases		Other MPF Ancillaries		Special Fault Investigations		Time Related Charges		Abortive Visit Charges	
		Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %	Internal £	External £
Components	Unit (a)										
GEA Cable Links	£/conn	826.29	-	-	-	-	-	-	-	-	-
GEA FTTC Distribution Fibre Spine	£/rental	4.80	-	-	-	-	-	-	-	-	-
GEA FTTP Distribution Fibre Spine	£/rental	341.89	-	-	-	-	-	-	-	-	-
GEA FTTC Access Fibre Spine	£/rental	1.40	-	-	-	-	-	-	-	-	-
GEA FTTP Access Fibre Spine	£/rental	154.43	-	-	-	-	-	-	-	-	-
GEA FTTC Electronics	£/rental	1.23	-	-	-	-	-	-	-	-	-
GEA FTTP Electronics	£/rental	41.80	-	-	-	-	-	-	-	-	-
GEA FTTC Customer Site Electronics	%	£163m	-	-	-	-	-	-	-	-	-
GEA FTTP Customer Site Installation	%	£40m	-	-	-	-	-	-	-	-	-
GEA FTTC Provisions	%	£43m	-	-	-	-	-	-	-	-	-
GEA FTTP Provisions	%	£4m	-	-	-	-	-	-	-	-	-
GEA FTTP Repairs	%	£3m	-	-	-	-	-	-	-	-	-
GEA FTTC Repairs	%	£19m	-	-	-	-	-	-	-	-	-
GEA DSLAM Cabinets	%	£129m	-	-	-	-	-	-	-	-	-
NGA Visit Assure	%	£58m	-	-	-	-	-	-	-	-	-
NGA E side Copper cable	£/line	8.18	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	3.02	-	-	-	-	-	-	-	-	-
FTTC Funded Fibre Rollout Spend	%	£170m	-	-	-	-	-	-	-	-	-
FTTP Funded Fibre Rollout Spend	%	£59m	-	-	-	-	-	-	-	-	-
FTTC Fibre Rollout Funding	%	£(41)m	-	-	-	-	-	-	-	-	-
FTTP Fibre Rollout Funding	%	£(16)m	-	-	-	-	-	-	-	-	-
FTTC Development	%	£11m	-	-	-	-	-	-	-	-	-
FTTP Development	%	£26m	-	-	-	-	-	-	-	-	-
Co-mingling power & vent	%	£68m	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostels	29.79	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/rooms	1,616.07	-	-	-	-	-	-	-	-	-
WLA tie cables	£/cables	18.58	-	-	-	-	-	-	-	-	-
MDF Hardware jumpering	£/line	16.13	12.08	12.04	11.94	11.94	-	-	-	-	-
Sub Total			12.08	12.04	11.94	11.94	-	-	-	-	-

Section 7 – Review of Wholesale Local Access Markets

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

For the year ended 31 March 2020

	Average cost per unit (from Appendix 1.1)	Hard Ceases		Other MPF Ancillaries		Special Fault Investigations		Time Related Charges		Abortive Visit Charges		
		Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %	Internal £	External £	
Fully Allocated Cost (£ or %)												
Components	Unit (a)											
MPF line testing systems	£/line	1.42	-	-	-	-	-	-	-	-	-	
Cumulo Rates Non NGA - Openreach	%	£157m	0.01	0.01	0.01	0.01	0.1 %	0.1 %	0.1 %	0.1 %	0.02	0.02
Cumulo Rates NGA	%	£122m	-	-	-	-	-	-	-	-	-	-
E side copper current	£/line	3.60	-	-	-	-	-	-	-	-	-	-
E side copper capital	£/line	4.28	-	-	-	-	-	-	-	-	-	-
D side copper current	£/line	10.69	-	-	-	-	-	-	-	-	-	-
D side copper capital	£/line	18.56	-	-	-	-	-	-	-	-	-	-
Analogue line drop maintenance	£/line	2.77	-	-	-	-	-	-	-	-	-	-
Dropwire capital & analogue NTE	£/line	16.13	-	-	-	-	-	-	-	-	-	-
Analogue line test equipment	£/line	0.07	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames maintenance	£/line	1.28	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames equipment	£/line	1.20	-	-	-	-	-	-	-	-	-	-
Abortive Visits	£/trans	62.04	-	-	-	-	-	-	-	-	61.35	61.35
Local Loop Unbundling systems development	%	£0m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance GEA	%	£9m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£16m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision GEA	%	£38m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision WLA	%	£17m	3.06	3.06	3.06	3.06	-	-	-	-	-	-
Openreach time related charges	%	£63m	-	-	-	-	-	-	99.1 %	99.1 %	-	-
Openreach sales product management	%	£14m	0.10	0.11	0.04	0.02	0.2 %	0.2 %	0.3 %	0.3 %	0.24	0.24
Special Fault Investigation	%	£41m	-	-	-	-	99.5 %	99.5 %	-	-	-	-
Ofcom Administration Fee Openreach	%	£3m	0.01	0.01	0.03	0.01	0.0 %	0.0 %	0.1 %	0.1 %	0.04	0.04
SLG WLA Internal	%	£20m	-	-	4.80	-	-	-	-	-	-	-
SLG WLA External	%	£25m	-	-	-	2.56	-	-	-	-	-	-
PIMR Costs	%	£603m	-	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£43m	0.07	0.08	0.29	0.13	0.3 %	0.3 %	0.5 %	0.5 %	0.37	0.37
Rounding			(0.01)	-	(0.01)	(0.01)	(0.1)%	(0.1)%	(0.1)%	(0.1)%	-	-
Fully Allocated Cost (£ or %)			15.32	15.31	20.16	17.72	100.0%	100.0%	100.0%	100.0%	62.02	62.02
	Volume (units)		242,119	937,775	23,870	25,107	(ux)	(ux)	(ux)	(ux)	62,173	100,862
	Fully Allocated Cost (£m)		3.7	14.4	0.5	0.4	22.1	18.9	5.6	22.2	3.9	6.3

Section 7 – Review of Wholesale Local Access Markets

WLA Summary

Restated for the year ended 31 March 2019 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Service											
GEA FTTC 40/10 Rentals	86.4	217.4	303.8	1,251,369	3,492,445	lines	69.06	62.24	61.6	172.7	234.3
GEA Other 40/10 Rentals	2.7	0.0	2.7	17,460	16	lines	154.81	160.01	10.9	0.0	10.9
GEA Other Bandwidth Rentals	493.3	86.5	579.8	5,181,019	1,037,937	lines	95.21	83.29	420.6	51.7	472.3
GEA FTTC 40/10 PCP Only Install	22.0	67.6	89.6	469,480	1,454,209	conns	46.96	46.48	28.6	91.6	120.2
GEA FTTC 40/10 PCP Start of Stopped Line	0.2	0.6	0.8	49,649	144,851	conns	4.63	4.14	0.3	1.0	1.3
GEA FTTP 40/10 Connections Voice and Data	1.5	-	1.5	16,829	-	conns	92.00	-	0.2	-	0.2
GEA FTTP 40/10 Connections Transitions	0.9	-	0.9	9,540	-	conns	92.00	-	2.2	-	2.2
GEA Cablelink 1 Gbps Connections	1.6	2.4	4.0	3,062	4,587	conns	521.00	521.00	1.8	2.8	4.6
GEA Cablelink 10 Gbps Connections	3.8	1.9	5.7	3,625	1,851	conns	1,042.00	1,042.00	3.3	1.7	5.0
GEA Bandwidth Modify to 40/10	0.9	0.3	1.2	129,882	46,810	amendments	7.26	7.26	0.4	0.1	0.5
GEA VLAN Moves Applied to Cablelink	21.5	1.0	22.5	2,957,246	144,519	amendments	7.26	7.26	8.4	0.4	8.8
GEA 40/10 Cancel/Amend/Modify - CRD	2.2	1.6	3.8	299,698	223,916	amendments	7.26	7.26	0.8	0.6	1.4
GEA 40/10 Cancel/Amend/Modify - Regrades	2.2	0.1	2.3	304,564	15,567	amendments	7.26	7.26	0.9	0.0	0.9
GEA CP to CP Migrations	1.5	2.2	3.7	332,268	475,690	amendments	4.63	4.63	2.5	3.7	6.2
GEA Superfast Visit Assure	16.8	17.1	33.9	129,263	131,213	amendments	130.00	130.00	18.7	19.0	37.7
MPF Rentals (SML1)	0.2	694.1	694.3	2,492	8,118,587	lines	85.51	85.49	0.2	679.6	679.8
MPF New Provides	0.5	61.3	61.8	12,365	1,847,006	conns	39.81	33.17	0.3	53.1	53.4
MPF Single Migrations	-	16.6	16.6	-	622,668	conns	-	26.73	-	16.3	16.3
MPF Bulk Migrations	-	3.0	3.0	-	146,751	conns	-	20.15	-	3.7	3.7
MPF Cancellation of Orders	0.1	2.1	2.2	14,597	292,257	cancellations	7.26	7.26	0.0	1.0	1.0
MPF Amend Orders	-	0.6	0.6	-	84,652	amendments	-	7.26	-	0.3	0.3
MPF Standard Line Test	-	0.0	0.0	-	436	tests	-	4.05	-	0.0	0.0
Co-mingling New Provide and Rentals	-	47.6	47.6	(ux)	(ux)	(ux)	(sx)	(sx)	-	52.5	52.5
Tie Cables	13.0	5.1	18.1	(ux)	(ux)	(ux)	(sx)	(sx)	9.3	6.0	15.3
Hard Ceases	6.7	16.0	22.7	371,702	991,646	ceases	17.93	16.09	5.5	14.4	19.9
Other MPF Ancillaries	3.6	0.4	4.0	102,332	10,143	ancillaries	35.42	34.56	1.6	0.2	1.8
Special Fault Investigations	12.8	10.8	23.6	(ux)	(ux)	(ux)	(sx)	(sx)	21.9	18.2	40.1
Time Related Charges	6.3	22.6	28.9	(ux)	(ux)	(ux)	(sx)	(sx)	7.3	26.3	33.6
Abortive Visit Charges	3.8	6.9	10.7	44,117	78,713	visits	85.80	87.30	2.1	3.8	5.9
Other WLA	166.9	219.2	386.1	(ux)	(ux)	(ux)	(sx)	(sx)	184.3	206.4	390.7
WLA IFRS 15	(3.2)	1.8	(1.4)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.4)	(0.3)	(0.7)
WLA SLG	(11.2)	(19.5)	(30.7)	(ux)	(ux)	(ux)	(sx)	(sx)	(11.3)	(19.6)	(30.9)
Rounding	0.1	(0.1)	-						-	0.1	0.1
Total WLA	857.1	1,487.2	2,344.3						782.0	1,407.3	2,189.3
Adjustment for internal	(48.4)	(167.0)	(215.4)						(48.4)	(167.0)	(215.4)
Total WLA (excluding internal)	808.7	1,320.2	2,128.9						733.6	1,240.3	1,973.9

Section 7 – Review of Wholesale Local Access Markets

WLA calculation of FAC based on component costs and usage factors

Restated for the year ended 31 March 2019 (b)

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.2)	GEA FTTC 40/10 Rentals		GEA Other 40/10 Rentals		GEA Other Bandwidth Rentals		GEA FTTC 40/10 PCP Only Install		GEA FTTC 40/10 PCP Start of Stopped Line		GEA FTTP 40/10 Connections Voice and Data		GEA FTTP 40/10 Connections Transitions		GEA Cablelink 1 Gbps Connections		
		Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Components	Unit (a)																	
GEA Cable Links	£/conn	841.09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	564.90	564.90
GEA FTTC Distribution Fibre Spine	£/rental	4.56	4.56	4.56	-	-	4.31	4.56	-	-	-	-	-	-	-	-	-	-
GEA FTTP Distribution Fibre Spine	£/rental	208.00	-	-	208.00	208.00	11.45	0.01	-	-	-	-	-	-	-	-	-	-
GEA FTTC Access Fibre Spine	£/rental	1.49	1.49	1.49	-	-	1.40	1.49	-	-	-	-	-	-	-	-	-	-
GEA FTTP Access Fibre Spine	£/rental	143.84	-	-	143.84	143.84	7.92	0.00	-	-	-	-	-	-	-	-	-	-
GEA FTTC Electronics	£/rental	1.01	1.01	1.01	-	-	0.95	1.01	-	-	-	-	-	-	-	-	-	-
GEA FTTP Electronics	£/rental	39.23	-	-	39.23	39.23	2.16	0.00	-	-	-	-	-	-	-	-	-	-
GEA FTTC Customer Site Electronics	%	£157m	-	-	-	-	-	-	43.58	43.58	-	-	-	-	-	-	-	-
GEA FTTP Customer Site Installation	%	£15m	-	-	-	-	-	-	-	-	-	-	-	106.20	-	-	-	-
GEA FTTC Provisions	%	£29m	-	-	-	-	-	-	8.16	8.16	-	-	-	-	-	-	-	-
GEA FTTP Provisions	%	£8m	-	-	-	-	-	-	-	-	-	-	-	52.83	-	-	-	-
GEA FTTP Repairs	%	£1m	-	-	3.40	3.40	0.19	0.00	-	-	-	-	-	-	-	-	-	-
GEA FTTC Repairs	%	£16m	1.49	1.49	-	-	1.41	1.49	-	-	-	-	-	-	-	-	-	-
GEA DSLAM Cabinets	%	£94m	8.82	8.82	-	-	8.33	8.82	-	-	-	-	-	-	-	-	-	-
NGA Visit Assure	%	£34m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NGA E side Copper cable	£/line	8.41	8.41	8.41	-	-	7.95	8.41	-	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	2.84	-	-	-	-	-	-	2.84	2.84	2.84	2.84	2.84	-	2.84	-	-	-
FTTC Funded Fibre Rollout Spend	%	£172m	16.10	16.10	-	-	15.22	16.10	-	-	-	-	-	-	-	-	-	-
FTTP Funded Fibre Rollout Spend	%	£41m	-	-	136.73	136.73	7.53	0.00	-	-	-	-	-	-	-	-	-	-
FTTC Fibre Rollout Funding	%	£(65)m	(6.05)	(6.05)	-	-	(5.72)	(6.05)	-	-	-	-	-	-	-	-	-	-
FTTP Fibre Rollout Funding	%	£(19)m	-	-	(62.23)	(62.23)	(3.43)	(0.00)	-	-	-	-	-	-	-	-	-	-
FTTC Development	%	£18m	1.19	1.19	-	-	1.12	1.19	1.19	1.19	1.19	1.19	-	-	-	-	-	-
FTTP Development	%	£26m	-	-	58.47	58.47	3.22	0.00	-	-	-	-	-	58.47	-	-	-	-
Co-mingling power & vent	%	£68m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostels	34.82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/rooms	1,339.62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WLA tie cables	£/cables	19.46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MDF Hardware jumpering	£/line	14.78	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total			37.02	37.02	527.44	527.44	64.01	37.03	55.77	55.77	4.03	4.03	2.84	-	220.34	-	564.90	564.90

Section 7 – Review of Wholesale Local Access Markets

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

Restated for the year ended 31 March 2019 (b)

	Average cost per unit (from Appendix 1.2)	GEA FTTC 40/10 Rentals		GEA Other 40/10 Rentals		GEA Other Bandwidth Rentals		GEA FTTC 40/10 PCP Only Install		GEA FTTC 40/10 PCP Start of Stopped Line		GEA FTTP 40/10 Connections Voice and Data		GEA FTTP 40/10 Connections Transitions		GEA Cablelink 1 Gbps Connections	
		Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
Fully Allocated Cost (£ or %)		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (a)																
MPF line testing systems	£/line	1.99	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA - Openreach	%	£125m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates NGA	%	£72m	6.54	6.54	7.25	7.25	6.54	6.54	-	-	-	-	-	-	-	-	-
E side copper current	£/line	3.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E side copper capital	£/line	3.48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D side copper current	£/line	10.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D side copper capital	£/line	22.06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Analogue line drop maintenance	£/line	2.16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dropwire capital & analogue NTE	£/line	15.99	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Analogue line test equipment	£/line	0.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames maintenance	£/line	1.24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames equipment	£/line	1.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Abortive Visits	£/trans	49.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Loop Unbundling systems development	%	£1m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance GEA	%	£22m	1.65	1.65	1.65	1.65	1.65	1.65	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£15m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision GEA	%	£31m	-	-	-	-	-	-	2.78	2.78	2.78	2.78	2.78	-	2.78	-	2.78
OR Service Centre - Provision WLA	%	£20m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach time related charges	%	£72m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach sales product management	%	£15m	0.03	0.03	0.06	0.07	0.04	0.03	0.02	0.02	0.00	0.00	0.04	-	0.04	-	0.21
Special Fault Investigation	%	£40m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£5m	0.06	0.05	0.13	0.14	0.08	0.07	0.04	0.04	0.00	0.00	0.08	-	0.08	-	0.45
SLG WLA Internal	%	£12m	0.35	-	0.78	-	0.48	-	2.08	-	0.21	-	4.08	-	4.08	-	23.12
SLG WLA External	%	£21m	-	0.62	-	1.60	-	0.84	-	4.13	-	0.37	-	-	-	-	46.29
PIMR Costs	%	£580m	3.17	3.17	87.05	87.05	7.79	3.17	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£44m	0.42	0.38	0.95	0.98	0.58	0.51	0.25	0.25	0.02	0.02	0.49	-	0.49	-	2.77
Rounding			(0.01)	-	0.01	0.01	-	-	-	(0.01)	-	-	-	-	-	-	0.01
Fully Allocated Cost (£ or %)			49.23	49.46	625.32	626.19	81.17	49.84	60.94	62.98	7.04	7.20	10.31	-	227.81	-	594.24
	Volume (units)		1,251,369	3,492,445	17,460		165,181,019	1,037,937	469,480	1,454,209	49,649	144,851	16,829	-	9,540	-	3,062
	Fully Allocated Cost (£m)		61.6	172.7	10.9	0.0	420.6	51.7	28.6	91.6	0.3	1.0	0.2	-	2.2	-	1.8

Section 7 – Review of Wholesale Local Access Markets

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

Restated for the year ended 31 March 2019 (b)

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.2)	GEA Cablelink 10 Gbps Connections		GEA Bandwidth Modify to 40/10		GEA VLAN Moves Applied to Cablelink		GEA 40/10 Cancel/Amend/Modify - CRD		GEA 40/10 Cancel/Amend/Modify - Regrades		GEA CP to CP Migrations		GEA Superfast Visit Assure		MPF Rentals (SML1)	
		Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (a)																
GEA Cable Links	£/conn	841.09	841.09	841.09	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Distribution Fibre Spine	£/rental	4.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Distribution Fibre Spine	£/rental	208.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Access Fibre Spine	£/rental	1.49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Access Fibre Spine	£/rental	143.84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Electronics	£/rental	1.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Electronics	£/rental	39.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Customer Site Electronics	%	£157m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Customer Site Installation	%	£15m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Provisions	%	£29m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Provisions	%	£8m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Repairs	%	£1m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Repairs	%	£16m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA DSLAM Cabinets	%	£94m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NGA Visit Assure	%	£34m	-	-	-	-	-	-	-	-	-	-	-	131.30	131.30	-	-
NGA E side Copper cable	£/line	8.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	2.84	-	-	-	-	-	-	-	-	-	2.84	2.84	-	-	-	-
FTTC Funded Fibre Rollout Spend	%	£172m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTP Funded Fibre Rollout Spend	%	£41m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTC Fibre Rollout Funding	%	£(65)m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTP Fibre Rollout Funding	%	£(19)m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTC Development	%	£18m	-	-	-	-	-	-	-	-	-	1.19	1.19	-	-	-	-
FTTP Development	%	£26m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling power & vent	%	£68m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostels	34.82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/rooms	1,339.62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WLA tie cables	£/cables	19.46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MDF Hardware jumpering	£/line	14.78	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total			841.09	841.09	-	-	-	-	-	-	-	4.03	4.03	131.30	131.30	-	-

Section 7 – Review of Wholesale Local Access Markets

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

Restated for the year ended 31 March 2019 (b)

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.2)	GEA Cablelink 10 Gbps Connections		GEA Bandwidth Modify to 40/10		GEA VLAN Moves Applied to Cablelink		GEA 40/10 Cancel/Amend/Modify - CRD		GEA 40/10 Cancel/Amend/Modify - Regrades		GEA CP to CP Migrations		GEA Superfast Visit Assure		MPF Rentals (SML1)	
		Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Components	Unit (a)																
MPF line testing systems	£/line	1.99	-	-	-	-	-	-	-	-	-	-	-	-	-	1.99	1.99
Cumulo Rates Non NGA - Openreach	%	£125m	-	-	-	-	-	-	-	-	-	-	-	0.06	0.06	3.37	3.37
Cumulo Rates NGA	%	£72m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E side copper current	£/line	3.60	-	-	-	-	-	-	-	-	-	-	-	-	-	3.60	3.60
E side copper capital	£/line	3.48	-	-	-	-	-	-	-	-	-	-	-	-	-	3.48	3.48
D side copper current	£/line	10.25	-	-	-	-	-	-	-	-	-	-	-	-	-	8.78	8.78
D side copper capital	£/line	22.06	-	-	-	-	-	-	-	-	-	-	-	-	-	22.06	22.06
Analogue line drop maintenance	£/line	2.16	-	-	-	-	-	-	-	-	-	-	-	-	-	2.16	2.16
Dropwire capital & analogue NTE	£/line	15.99	-	-	-	-	-	-	-	-	-	-	-	-	-	15.99	15.99
Analogue line test equipment	£/line	0.11	-	-	-	-	-	-	-	-	-	-	-	-	-	0.11	0.11
Local exchanges general frames maintenance	£/line	1.24	-	-	-	-	-	-	-	-	-	-	-	-	-	1.24	1.24
Local exchanges general frames equipment	£/line	1.11	-	-	-	-	-	-	-	-	-	-	-	-	-	2.22	2.22
Abortive Visits	£/trans	49.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Loop Unbundling systems development	%	£1m	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04	0.04
OR Service Centre - Assurance GEA	%	£22m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£15m	-	-	-	-	-	-	-	-	-	-	-	-	-	1.32	1.32
OR Service Centre - Provision GEA	%	£31m	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	-	-	-	-
OR Service Centre - Provision WLA	%	£20m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach time related charges	%	£72m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach sales product management	%	£15m	0.43	0.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.44	0.44	12.35	12.35	0.08	0.08
Special Fault Investigation	%	£40m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£5m	0.90	0.90	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.11	0.11	0.07	0.07
SLG WLA Internal	%	£12m	46.24	-	-	-	-	-	-	-	-	0.21	-	-	-	0.43	0.43
SLG WLA External	%	£21m	-	92.58	-	-	-	-	-	-	-	-	0.41	-	-	-	-
PIMR Costs	%	£580m	-	-	-	-	-	-	-	-	-	-	-	-	-	16.24	16.24
Revenue Receivables	%	£44m	5.55	5.55	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.02	0.02	0.69	0.69	0.52	0.52
Rounding			-	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01	0.01
Fully Allocated Cost (£ or %)		896.99	943.33	2.83	2.83	2.83	2.83	2.83	2.83	2.83	2.83	7.48	7.69	144.51	144.51	83.71	83.71
	Volume (units)	3,625	1,851	129,882	46,810	2,957,246	144,519	299,698	223,916	304,564	15,567	332,268	475,690	129,263	131,213	2,492	8,118,587
	Fully Allocated Cost (£m)	3.3	1.7	0.4	0.1	8.4	0.4	0.8	0.6	0.9	0.0	2.5	3.7	18.7	19.0	0.2	679.6

Section 7 – Review of Wholesale Local Access Markets

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

Restated for the year ended 31 March 2019 (b)

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.2)	MPF New Provides		MPF Single Migrations		MPF Bulk Migrations		MPF Cancellation of Orders		MPF Amend Orders		MPF Standard Line Test		Co-mingling New Provide and Rentals		Tie Cables	
		Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
		£	£	£	£	£	£	£	£	£	£	£	£	%	%	%	%
Components	Unit (a)																
GEA Cable Links	£/conn	841.09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Distribution Fibre Spine	£/rental	4.56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Distribution Fibre Spine	£/rental	208.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Access Fibre Spine	£/rental	1.49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Access Fibre Spine	£/rental	143.84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Electronics	£/rental	1.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Electronics	£/rental	39.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Customer Site Electronics	%	£157m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Customer Site Installation	%	£15m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Provisions	%	£29m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Provisions	%	£8m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTP Repairs	%	£1m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA FTTC Repairs	%	£16m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GEA DSLAM Cabinets	%	£94m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NGA Visit Assure	%	£34m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NGA E side Copper cable	£/line	8.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	2.84	2.84	2.84	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTC Funded Fibre Rollout Spend	%	£172m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTP Funded Fibre Rollout Spend	%	£41m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTC Fibre Rollout Funding	%	£(65)m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTP Fibre Rollout Funding	%	£(19)m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTC Development	%	£18m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTP Development	%	£26m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling power & vent	%	£68m	-	-	-	-	-	-	-	-	-	-	-	-	26.5 %	-	-
Co-mingling rentals	£/hostels	34.82	-	-	-	-	-	-	-	-	-	-	-	-	33.7 %	-	-
Co-mingling set up	£/rooms	1,339.62	-	-	-	-	-	-	-	-	-	-	-	-	35.0 %	-	-
WLA tie cables	£/cables	19.46	-	-	-	-	-	-	-	-	-	-	-	-	-	82.1 %	78.5 %
MDF Hardware jumpering	£/line	14.78	19.47	19.47	-	20.43	-	19.70	-	-	-	-	-	-	-	-	-
Sub Total			22.31	22.31	-	20.43	-	19.70	-	-	-	-	-	-	95.2%	82.1%	78.5%

Section 7 – Review of Wholesale Local Access Markets

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

Restated for the year ended 31 March 2019 (b)

	Average cost per unit (from Appendix 1.2)	MPF New Provides		MPF Single Migrations		MPF Bulk Migrations		MPF Cancellation of Orders		MPF Amend Orders		MPF Standard Line Test		Co-mingling New Provide and Rentals		Tie Cables		
		Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %	
Fully Allocated Cost (£ or %)																		
Components	Unit (a)																	
MPF line testing systems	£/line	1.99	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cumulo Rates Non NGA - Openreach	%	£125m	0.01	0.01	-	0.01	-	0.01	0.00	0.00	-	0.00	-	0.00	-	2.2 %	2.2 %	2.1 %
Cumulo Rates NGA	%	£72m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E side copper current	£/line	3.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E side copper capital	£/line	3.48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D side copper current	£/line	10.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D side copper capital	£/line	22.06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Analogue line drop maintenance	£/line	2.16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dropwire capital & analogue NTE	£/line	15.99	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Analogue line test equipment	£/line	0.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames maintenance	£/line	1.24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames equipment	£/line	1.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Abortive Visits	£/trans	49.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Loop Unbundling systems development	%	£1m	0.04	0.04	-	0.04	-	0.04	0.04	0.04	-	0.04	-	0.04	-	0.0 %	0.2 %	0.1 %
OR Service Centre - Assurance GEA	%	£22m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£15m	-	-	-	-	-	-	-	-	-	-	-	-	-	1.3 %	1.0 %	5.3 %
OR Service Centre - Provision GEA	%	£31m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision WLA	%	£20m	3.20	3.20	-	3.20	-	3.20	3.20	3.20	-	3.20	-	3.20	-	0.1 %	13.5 %	12.9 %
Openreach time related charges	%	£72m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach sales product management	%	£15m	0.04	0.03	-	0.03	-	0.02	0.00	0.00	-	0.00	-	0.00	-	0.5 %	0.1 %	0.5 %
Special Fault Investigation	%	£40m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£5m	0.03	0.03	-	0.02	-	0.02	0.01	0.01	-	0.01	-	0.00	-	0.1 %	0.1 %	0.1 %
SLG WLA Internal	%	£12m	1.77	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SLG WLA External	%	£21m	-	2.95	-	2.38	-	1.79	-	-	-	-	-	-	-	-	-	-
PIMR Costs	%	£580m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£44m	0.21	0.18	-	0.14	-	0.11	0.04	0.04	-	0.04	-	0.02	-	0.5 %	0.9 %	0.5 %
Rounding			(0.01)	(0.01)	-	(0.01)	-	(0.02)	(0.01)	(0.01)	-	(0.01)	-	-	-	0.1 %	(0.1)%	-
Fully Allocated Cost (£ or %)			27.60	28.74	-	26.24	-	24.87	3.28	3.28	-	3.28	-	3.26	-	100.0%	100.0%	100.0%
	Volume (units)		12,365	1,847,006	-	622,668	-	146,751	14,597	292,257	-	84,652	-	436	(ux)	(ux)	(ux)	(ux)
	Fully Allocated Cost (£m)		0.3	53.1	-	16.3	-	3.7	0.0	1.0	-	0.3	-	0.0	-	52.5	9.3	6.0

Section 7 – Review of Wholesale Local Access Markets

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

Restated for the year ended 31 March 2019 (b)

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.2)	Hard Ceases		Other MPF Ancillaries		Special Fault Investigations		Time Related Charges		Abortive Visit Charges	
		Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %	Internal £	External £
Components	Unit (a)										
GEA Cable Links	£/conn	841.09	-	-	-	-	-	-	-	-	-
GEA FTTC Distribution Fibre Spine	£/rental	4.56	-	-	-	-	-	-	-	-	-
GEA FTTP Distribution Fibre Spine	£/rental	208.00	-	-	-	-	-	-	-	-	-
GEA FTTC Access Fibre Spine	£/rental	1.49	-	-	-	-	-	-	-	-	-
GEA FTTP Access Fibre Spine	£/rental	143.84	-	-	-	-	-	-	-	-	-
GEA FTTC Electronics	£/rental	1.01	-	-	-	-	-	-	-	-	-
GEA FTTP Electronics	£/rental	39.23	-	-	-	-	-	-	-	-	-
GEA FTTC Customer Site Electronics	%	£157m	-	-	-	-	-	-	-	-	-
GEA FTTP Customer Site Installation	%	£15m	-	-	-	-	-	-	-	-	-
GEA FTTC Provisions	%	£29m	-	-	-	-	-	-	-	-	-
GEA FTTP Provisions	%	£8m	-	-	-	-	-	-	-	-	-
GEA FTTP Repairs	%	£1m	-	-	-	-	-	-	-	-	-
GEA FTTC Repairs	%	£16m	-	-	-	-	-	-	-	-	-
GEA DSLAM Cabinets	%	£94m	-	-	-	-	-	-	-	-	-
NGA Visit Assure	%	£34m	-	-	-	-	-	-	-	-	-
NGA E side Copper cable	£/line	8.41	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	2.84	-	-	-	-	-	-	-	-	-
FTTC Funded Fibre Rollout Spend	%	£172m	-	-	-	-	-	-	-	-	-
FTTP Funded Fibre Rollout Spend	%	£41m	-	-	-	-	-	-	-	-	-
FTTC Fibre Rollout Funding	%	£(65)m	-	-	-	-	-	-	-	-	-
FTTP Fibre Rollout Funding	%	£(19)m	-	-	-	-	-	-	-	-	-
FTTC Development	%	£18m	-	-	-	-	-	-	-	-	-
FTTP Development	%	£26m	-	-	-	-	-	-	-	-	-
Co-mingling power & vent	%	£68m	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostels	34.82	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/rooms	1,339.62	-	-	-	-	-	-	-	-	-
WLA tie cables	£/cables	19.46	-	-	-	-	-	-	-	-	-
MDF Hardware jumpering	£/line	14.78	11.21	11.03	10.19	10.19	-	-	-	-	-
Sub Total			11.21	11.03	10.19	10.19	-	-	-	-	-

Section 7 – Review of Wholesale Local Access Markets

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

Restated for the year ended 31 March 2019 (b)

	Average cost per unit (from Appendix 1.2)	Hard Ceases		Other MPF Ancillaries		Special Fault Investigations		Time Related Charges		Abortive Visit Charges		
		Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %	Internal £	External £	
Fully Allocated Cost (£ or %)												
Components	Unit (a)											
MPF line testing systems	£/line	1.99	-	-	-	-	-	-	-	-	-	
Cumulo Rates Non NGA - Openreach	%	£125m	0.01	0.01	0.00	0.00	0.0 %	0.0 %	0.0 %	0.0 %	0.01	0.01
Cumulo Rates NGA	%	£72m	-	-	-	-	-	-	-	-	-	-
E side copper current	£/line	3.60	-	-	-	-	-	-	-	-	-	
E side copper capital	£/line	3.48	-	-	-	-	-	-	-	-	-	
D side copper current	£/line	10.25	-	-	-	-	-	-	-	-	-	
D side copper capital	£/line	22.06	-	-	-	-	-	-	-	-	-	
Analogue line drop maintenance	£/line	2.16	-	-	-	-	-	-	-	-	-	
Dropwire capital & analogue NTE	£/line	15.99	-	-	-	-	-	-	-	-	-	
Analogue line test equipment	£/line	0.11	-	-	-	-	-	-	-	-	-	
Local exchanges general frames maintenance	£/line	1.24	-	-	-	-	-	-	-	-	-	
Local exchanges general frames equipment	£/line	1.11	-	-	-	-	-	-	-	-	-	
Abortive Visits	£/trans	49.50	-	-	-	-	-	-	-	47.77	47.77	
Local Loop Unbundling systems development	%	£1m	0.04	0.04	0.04	0.04	-	-	-	-	-	
OR Service Centre - Assurance GEA	%	£22m	-	-	-	-	-	-	-	-	-	
OR Service Centre - Assurance WLA	%	£15m	-	-	-	-	-	-	-	-	-	
OR Service Centre - Provision GEA	%	£31m	-	-	-	-	-	-	-	-	-	
OR Service Centre - Provision WLA	%	£20m	3.20	3.20	3.20	3.20	-	-	-	-	-	
Openreach time related charges	%	£72m	-	-	-	-	-	99.0 %	99.0 %	-	-	
Openreach sales product management	%	£15m	0.14	0.13	0.04	0.03	0.3 %	0.3 %	0.4 %	0.4 %	0.39	0.40
Special Fault Investigation	%	£40m	-	-	-	-	99.3 %	99.3 %	-	-	-	-
Ofcom Administration Fee Openreach	%	£5m	0.02	0.01	0.03	0.03	0.1 %	0.1 %	0.1 %	0.1 %	0.07	0.08
SLG WLA Internal	%	£12m	-	-	1.57	-	-	-	-	-	-	-
SLG WLA External	%	£21m	-	-	-	3.07	-	-	-	-	-	-
PIMR Costs	%	£580m	-	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£44m	0.10	0.09	0.19	0.18	0.3 %	0.3 %	0.5 %	0.5 %	0.46	0.46
Rounding			(0.02)	(0.02)	(0.01)	-	-	-	-	-	-	-
Fully Allocated Cost (£ or %)			14.70	14.49	15.25	16.74	100.0%	100.0%	100.0%	100.0%	48.70	48.72
	Volume (units)		371,702	991,646	102,332	10,143	(ux)	(ux)	(ux)	(ux)	44,117	78,713
	Fully Allocated Cost (£m)		5.5	14.4	1.6	0.2	21.9	18.2	7.3	26.3	2.1	3.8

Section 8

Review of Business Connectivity Markets

Section 8 – Review of Business Connectivity Markets

CI Access services - BT Only Summary

For the year ended 31 March 2020

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Service											
Ethernet 1 G bit and below											
Connections	26.6	31.3	57.9	14,130	16,655	ccts	1,879.24	1,878.43	20.6	22.6	43.2
EAD Rentals	45.1	41.9	87.0	25,138	23,232	ccts	1,795.43	1,805.64	59.9	55.3	115.2
EAD LA Rentals	85.2	64.1	149.3	59,573	45,408	ccts	1,430.74	1,412.18	115.0	87.5	202.5
Other Rentals	2.4	3.6	6.0	(ux)	(ux)	(ux)	(sx)	(sx)	4.0	5.2	9.2
EAD Mainlink	28.1	30.5	58.6	155,811	168,960	km	180.35	180.34	18.8	20.3	39.1
	187.4	171.4	358.8						218.3	190.9	409.2
Ethernet above 1 G bit											
EAD Rentals	0.8	2.4	3.2	155	495	ccts	4,852.10	4,844.71	0.6	1.8	2.4
EAD LA Rentals	0.2	0.3	0.5	49	79	ccts	4,015.87	4,027.75	0.2	0.3	0.5
Other Rentals	18.5	10.7	29.2	(ux)	(ux)	(ux)	(sx)	(sx)	11.9	6.7	18.6
EAD Mainlink	0.2	0.6	0.8	881	3,342	km	180.53	180.42	0.1	0.4	0.5
Connections	7.9	5.6	13.5	2,579	1,426	ccts	3,045.13	3,899.79	2.7	1.9	4.6
Cable link (inc Intra exchange)	0.1	0.1	0.2	580	1,541	ccts	91.57	90.01	0.1	0.2	0.3
Other	5.7	3.5	9.2	22,371	15,161	fibre km	255.28	232.20	2.7	1.8	4.5
	33.4	23.2	56.6						18.3	13.1	31.4
ECC Basket	6.5	3.8	10.3	(ux)	(ux)	(ux)	(sx)	(sx)	8.1	4.8	12.9
Accommodation basket	-	3.7	3.7	(ux)	(ux)	(ux)	(sx)	(sx)	-	4.0	4.0
TRC Basket	1.3	0.2	1.5	(ux)	(ux)	(ux)	(sx)	(sx)	1.6	0.2	1.8
Exempt Ancillary Services	1.7	2.7	4.4	(ux)	(ux)	(ux)	(sx)	(sx)	0.0	0.0	0.0
Other - Project services	2.8	0.7	3.5	(ux)	(ux)	(ux)	(sx)	(sx)	2.6	0.7	3.3
Access IFRS 15	(9.4)	(12.2)	(21.6)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.6)	(2.1)	(2.7)
Access SLG	(10.0)	(7.7)	(17.7)	(ux)	(ux)	(ux)	(sx)	(sx)	(10.4)	(8.0)	(18.4)
Rounding	-	-	-						(0.1)	0.1	-
Total Ethernet Basket	213.7	185.8	399.5						237.8	203.7	441.5
Adjustment for internal	(22.2)	(21.1)	(43.3)						(22.2)	(21.1)	(43.3)
Total Ethernet Basket (excluding internal)	191.5	164.7	356.2						215.6	182.6	398.2

Section 8 – Review of Business Connectivity Markets

CI Access services - BT Only calculation of FAC based on component costs and usage factors

For the year ended 31 March 2020

	Average cost per unit (from Appendix 1.1)	Connections - Ethernet 1 G bit and below		EAD Rentals - Ethernet 1 G bit and below		EAD LA Rentals - Ethernet 1 G bit and below		Other Rentals - Ethernet 1 G bit and below		EAD Mainlink - Ethernet 1 G bit and below		
		Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal £	External £	
Fully Allocated Cost (£ or %)												
Components	Unit (a)											
Backhaul Extension Services Fibre	£/le	1,412.66	-	-	-	-	-	3.7 %	3.0 %	-	-	
Cumulo Rates Non NGA – Openreach	%	£157m	0.37	0.37	113.10	113.06	85.05	85.06	6.0 %	5.9 %	12.36	11.99
EAD Electronics Capital	£/circuit	434.80	-	-	451.11	451.27	444.20	440.75	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,060.65	-	-	1,506.04	1,505.38	1,128.05	1,128.18	-	-	-	-
Ethernet Electronics Current	£/le	93.08	-	-	93.08	93.08	93.08	93.08	3.5 %	3.5 %	-	-
Ethernet Excess Construction Capex	%	£67m	811.28	811.28	-	-	-	-	-	-	-	-
Ethernet main links	£/fibre km	34.58	-	-	-	-	-	-	-	-	34.58	34.58
Ethernet Monitoring Platform	£/circuit	193.42	-	-	34.87	34.87	34.87	34.87	-	-	-	-
Ofcom Administration Fee Openreach	%	£3m	1.11	1.11	1.06	1.07	0.85	0.84	0.0 %	0.0 %	0.11	0.11
Openreach sales product management	%	£14m	9.99	9.99	9.54	9.60	7.61	7.51	0.3 %	0.4 %	0.96	0.96
Optical Ethernet Electronics Capital	£/circuit	1,439.62	-	-	-	-	-	-	-	-	-	-
Co-mingling power & Vent	%	£68m	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	1,616.07	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	29.79	-	-	-	-	-	-	-	-	-	-
OR Service centre - Provision WLA	%	£17m	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£8m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance Ethernet	%	£0m	-	-	0.00	0.00	0.00	0.00	0.0 %	0.0 %	-	-
OR Service Centre - Assurance WLA	%	£16m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£6m	88.67	88.67	-	-	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	24.64	24.64	24.64	24.64	24.64	24.64	24.64	0.8 %	0.8 %	3.31	3.31
Local Loop Unbundling Systems development	%	£0m	-	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	3.02	3.02	3.02	-	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	0.52	-	0.40	-	0.0 %	-	-
SLG Ethernet Assurance Internal	%	£0m	-	-	0.48	-	0.38	-	0.0 %	-	-	-
SLG Ethernet Provision External	%	£15m	-	410.06	-	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£19m	508.02	-	-	-	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,772.24	-	-	-	-	-	-	78.5 %	79.2 %	-	-
PIMR Costs	%	£603m	-	-	136.35	136.29	102.13	102.14	6.8 %	6.8 %	68.28	68.28
Revenue Receivables	%	£43m	10.01	10.00	10.98	11.04	8.75	8.64	0.4 %	0.4 %	1.10	1.10
Rounding			-	-	0.01	(0.01)	(0.02)	(0.01)	-	-	(0.01)	(0.01)
Fully Allocated Cost (£ or %)			1,457.11	1,359.14	2,381.26	2,380.81	1,929.59	1,926.10	100.0 %	100.0 %	120.69	120.32
	Volume (units)		14,130	16,655	25,138	23,232	59,573	45,408	(ux)	(ux)	155,811	168,960
	Fully Allocated Cost (£m)		20.6	22.6	59.9	55.3	115.0	87.5	4.0	5.2	18.8	20.3

Section 8 – Review of Business Connectivity Markets

CI Access services - BT Only calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2020

Components	Unit (a)	Average cost per unit (from Appendix 1.1)	EAD Rentals - Ethernet above 1 G bit		EAD LA Rentals - Ethernet above 1 G bit		Other Rentals - Ethernet above 1 G bit		EAD Mainlink - Ethernet above 1 G bit		Connections - Ethernet above 1 G bit		Cable link (inc Intra exchange) - Ethernet above 1 G bit	
			Internal £	External £	Internal £	External £	Internal %	External %	Internal £	External £	Internal £	External £	Internal £	External £
Fully Allocated Cost (£ or %)														
Components	Unit (a)													
Backhaul Extension Services Fibre	£/le	1,412.66	-	-	-	-	0.0%	0.4%	-	-	-	-	-	-
Cumulo Rates Non NGA – Openreach	%	£157m	102.89	102.89	85.07	85.07	1.5%	1.4%	11.99	11.99	0.11	0.21	6.13	6.41
EAD Electronics Capital	£/circuit	434.80	1,608.81	1,608.81	1,608.81	1,608.81	-	-	-	-	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,060.65	1,362.94	1,362.94	1,122.85	1,122.85	17.9%	17.8%	-	-	-	-	106.81	111.67
Ethernet Electronics Current	£/le	93.08	93.08	93.08	93.08	93.08	1.1%	1.4%	-	-	-	-	-	-
Ethernet Excess Construction Capex	%	£67m	-	-	-	-	-	-	-	-	82.59	330.84	-	-
Ethernet main links	£/fibre km	34.58	-	-	-	-	-	-	34.58	34.58	-	-	-	-
Ethernet Monitoring Platform	£/circuit	193.42	270.72	270.72	270.72	270.72	3.4%	3.3%	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£3m	2.87	2.87	2.38	2.39	0.1%	0.1%	0.11	0.11	1.80	2.31	0.05	0.05
Openreach sales product management	%	£14m	25.80	25.76	21.35	21.41	0.8%	0.8%	0.96	0.96	15.50	20.18	0.46	0.45
Optical Ethernet Electronics Capital	£/circuit	1,439.62	-	-	-	-	70.0%	70.3%	-	-	-	-	-	-
Co-mingling power & Vent	%	£68m	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	1,616.07	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	29.79	-	-	-	-	-	-	-	-	-	-	-	-
OR Service centre - Provision WLA	%	£17m	-	-	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£8m	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance Ethernet	%	£0m	0.00	0.00	0.00	0.00	0.0%	0.0%	-	-	-	-	0.00	0.00
OR Service Centre - Assurance WLA	%	£16m	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£6m	-	-	-	-	-	-	-	-	88.67	88.67	8.87	5.24
OR Systems & Development - Ethernet	£/le	24.64	24.64	24.64	24.64	24.64	1.2%	1.2%	3.31	3.31	24.64	24.64	24.64	24.64
Local Loop Unbundling Systems development	%	£0m	-	-	-	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	3.02	-	-	-	-	-	-	-	-	3.02	3.02	0.30	0.18
SLG Ethernet Assurance External	%	£0m	-	1.38	-	1.15	-	0.0%	-	-	-	-	-	-
SLG Ethernet Assurance Internal	%	£0m	1.29	-	1.07	-	0.0%	-	-	-	-	-	-	-
SLG Ethernet Provision External	%	£15m	-	-	-	-	-	-	-	-	-	851.33	-	-
SLG Ethernet Provision Internal	%	£19m	-	-	-	-	-	-	-	-	823.20	-	-	-
Wholesale Extension Services Fibre	£/le	1,772.24	-	-	-	-	1.4%	0.6%	-	-	-	-	-	-
PIMR Costs	%	£603m	123.39	123.39	101.66	101.66	1.7%	1.7%	68.28	68.28	-	-	-	-
Revenue Receivables	%	£43m	29.67	29.63	24.56	24.63	0.9%	1.0%	1.10	1.10	16.22	20.77	0.49	0.48
Rounding			-	-	(0.01)	(0.01)	-	-	-	-	0.01	(0.01)	0.01	0.01
Fully Allocated Cost (£ or %)			3,646.10	3,646.11	3,356.18	3,356.40	100.0%	100.0%	120.33	120.33	1,055.76	1,341.96	147.76	149.13
	Volume (units)		155	495	49	79	(ux)	(ux)	881	3,342	2,579	1,426	580	1,541
	Fully Allocated Cost (£m)		0.6	1.8	0.2	0.3	11.9	6.7	0.1	0.4	2.7	1.9	0.1	0.2

Section 8 – Review of Business Connectivity Markets

CI Access services - BT Only calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2020

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.1)	Other - Ethernet above 1 Gbit		ECC Basket		Accommodation basket		TRC Basket		Exempt Ancillary Services		Other - Project services		
		Internal £	External £	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %	
Components	Unit (a)													
Backhaul Extension Services Fibre	£/le	1,412.66	-	-	-	-	-	-	-	-	-	-	-	
Cumulo Rates Non NGA – Openreach	%	£157m	12.30	11.99	0.0 %	0.0 %	-	2.7 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %	0.1 %
EAD Electronics Capital	£/circuit	434.80	-	-	-	-	-	-	-	-	-	-	-	
Ethernet Access Direct Fibre	£/circuit	1,060.65	-	-	-	-	-	-	-	-	-	-	-	
Ethernet Electronics Current	£/le	93.08	-	-	-	-	-	-	-	-	-	-	-	
Ethernet Excess Construction Capex	%	£67m	-	-	99.2 %	99.2 %	-	-	99.2 %	99.2 %	-	-	-	
Ethernet main links	£/fibre km	34.58	34.58	34.58	-	-	-	-	-	-	-	-	-	
Ethernet Monitoring Platform	£/circuit	193.42	-	-	-	-	-	-	-	-	-	-	-	
Ofcom Administration Fee Openreach	%	£3m	0.15	0.14	0.0 %	0.0 %	-	0.1 %	0.0 %	0.0 %	9.4 %	9.4 %	0.1 %	0.1 %
Openreach sales product management	%	£14m	1.29	1.17	0.3 %	0.3 %	-	0.4 %	0.3 %	0.3 %	5.8 %	5.8 %	0.4 %	0.4 %
Optical Ethernet Electronics Capital	£/circuit	1,439.62	-	-	-	-	-	-	-	-	-	-	-	
Co-mingling power & Vent	%	£68m	-	-	-	-	-	68.4 %	-	-	-	-	-	
Co-mingling set up	£/room	1,616.07	-	-	-	-	-	14.8 %	-	-	-	-	-	
Co-mingling rentals	£/hostel	29.79	-	-	-	-	-	12.4 %	-	-	-	-	-	
OR Service centre - Provision WLA	%	£17m	-	-	-	-	-	0.0 %	-	-	-	-	-	
OR Project Services	%	£8m	-	-	-	-	-	-	-	-	-	-	98.9 %	98.9 %
OR Service Centre - Assurance Ethernet	%	£0m	-	-	-	-	-	-	-	-	-	-	-	
OR Service Centre - Assurance WLA	%	£16m	-	-	-	-	-	0.6 %	-	-	-	-	-	
OR Service Centre - Provision Ethernet	%	£6m	-	-	-	-	-	-	-	-	-	-	-	
OR Systems & Development - Ethernet	£/le	24.64	3.31	3.31	-	-	-	-	-	-	-	-	-	
Local Loop Unbundling Systems development	%	£0m	-	-	-	-	-	-	-	-	-	-	-	
Routeing & Records	£/line	3.02	-	-	-	-	-	-	-	-	-	-	-	
SLG Ethernet Assurance External	%	£0m	-	-	-	-	-	-	-	-	-	-	-	
SLG Ethernet Assurance Internal	%	£0m	-	-	-	-	-	-	-	-	-	-	-	
SLG Ethernet Provision External	%	£15m	-	-	-	-	-	-	-	-	-	-	-	
SLG Ethernet Provision Internal	%	£19m	-	-	-	-	-	-	-	-	-	-	-	
Wholesale Extension Services Fibre	£/le	1,772.24	-	-	-	-	-	-	-	-	-	-	-	
PIMR Costs	%	£603m	68.28	68.28	-	-	-	-	-	-	-	-	-	
Revenue Receivables	%	£43m	1.56	1.42	0.4 %	0.4 %	-	0.6 %	0.4 %	0.4 %	84.8 %	84.8 %	0.6 %	0.6 %
Rounding		(0.01)	-	-	0.1 %	0.1 %	-	-	0.1 %	0.1 %	-	-	(0.1)%	(0.1)%
Fully Allocated Cost (£ or %)			121.46	120.89	100.0 %	100.0 %	-	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
	Volume (units)		22,371	15,161	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)
	Fully Allocated Cost (£m)		2.7	1.8	8.1	4.8	-	4.0	1.6	0.2	0.0	0.0	2.6	0.7

Section 8 – Review of Business Connectivity Markets

CI Access services - BT Only Summary

Restated for the year ended 31 March 2019 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Service											
Ethernet 1 G bit and below											
Connections	21.0	21.3	42.3	14,189	14,284	ccts	1,482.39	1,491.13	21.1	20.3	41.4
EAD Rentals	47.8	39.7	87.5	25,170	21,004	ccts	1,898.47	1,888.03	66.2	55.2	121.4
EAD LA Rentals	80.7	57.0	137.7	54,996	40,197	ccts	1,466.64	1,418.64	116.4	84.9	201.3
Other Rentals	4.1	4.4	8.5	(ux)	(ux)	(ux)	(sx)	(sx)	7.9	8.0	15.9
EAD Mainlink	28.7	27.7	56.4	159,160	153,599	km	180.34	180.36	20.1	19.3	39.4
	182.3	150.1	332.4						231.7	187.7	419.4
Ethernet above 1 G bit											
EAD Rentals	0.3	1.3	1.6	65	261	ccts	4,847.44	4,920.92	0.3	1.0	1.3
EAD LA Rentals	0.1	0.1	0.2	19	28	ccts	4,119.34	4,260.39	0.1	0.1	0.2
Other Rentals	17.7	10.6	28.3	(ux)	(ux)	(ux)	(sx)	(sx)	11.8	7.0	18.8
EAD Mainlink	0.1	0.3	0.4	392	1,401	km	180.00	180.00	0.0	0.2	0.2
Connections	2.4	2.9	5.3	902	808	ccts	2,674.85	3,583.85	0.9	1.0	1.9
Cable link (inc Intra exchange)	0.0	0.1	0.1	506	1,415	ccts	24.40	69.39	0.1	0.2	0.3
Other	5.3	3.2	8.5	20,310	12,527	fibre km	261.94	254.48	2.6	1.6	4.2
	25.9	18.5	44.4						15.8	11.1	26.9
ECC Basket	7.9	6.2	14.1	(ux)	(ux)	(ux)	(sx)	(sx)	10.0	7.8	17.8
Accommodation basket	-	4.4	4.4	(ux)	(ux)	(ux)	(sx)	(sx)	-	4.9	4.9
TRC Basket	1.6	0.2	1.8	(ux)	(ux)	(ux)	(sx)	(sx)	2.0	0.3	2.3
Exempt Ancillary Services	1.1	1.1	2.2	(ux)	(ux)	(ux)	(sx)	(sx)	0.0	0.0	0.0
Other - Project services	2.6	0.9	3.5	(ux)	(ux)	(ux)	(sx)	(sx)	3.0	1.0	4.0
Access IFRS 15	1.6	(3.7)	(2.1)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.7)	(1.5)	(2.2)
Access SLG	(7.3)	(5.3)	(12.6)	(ux)	(ux)	(ux)	(sx)	(sx)	(7.3)	(5.3)	(12.6)
Rounding	(0.1)	(0.1)	(0.2)						(0.1)	0.2	0.1
Total Ethernet Basket	215.6	172.3	387.9						254.4	206.2	460.6
Adjustment for internal	(23.3)	(20.2)	(43.5)						(23.3)	(20.2)	(43.5)
Total Ethernet Basket (excluding internal)	192.3	152.1	344.4						231.1	186.0	417.1

Section 8 – Review of Business Connectivity Markets

CI Access services - BT Only calculation of FAC based on component costs and usage factors

Restated for the year ended 31 March 2019 (b)

	Average cost per unit (from Appendix 1.2)	Connections - Ethernet 1 G bit and below		EAD Rentals - Ethernet 1 G bit and below		EAD LA Rentals - Ethernet 1 G bit and below		Other Rentals - Ethernet 1 G bit and below		EAD Mainlink - Ethernet 1 G bit and below		
		Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal £	External £	
Fully Allocated Cost (£ or %)												
Components	Unit (a)											
Backhaul Extension Services Fibre	£/le	5,624.36	-	-	-	-	-	10.3 %	12.2 %	-	-	
Cumulo Rates Non NGA – Openreach	%	£125m	0.26	0.26	103.32	103.27	76.53	76.55	5.0 %	5.0 %	11.35	11.35
EAD Electronics Capital	£/circuit	505.01	-	-	522.02	520.87	514.78	509.64	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,155.39	-	-	1,667.87	1,667.16	1,230.53	1,230.75	-	-	-	-
Ethernet Electronics Current	£/le	92.36	-	-	92.36	92.36	92.36	92.36	2.9 %	2.9 %	-	-
Ethernet Excess Construction Capex	%	£73m	863.85	863.61	-	-	-	-	-	-	-	-
Ethernet main links	£/fibre km	34.69	-	-	-	-	-	-	-	-	34.69	34.69
Ethernet Monitoring Platform	£/circuit	296.94	-	-	52.14	52.14	52.14	52.14	-	-	-	-
Ofcom Administration Fee Openreach	%	£5m	1.28	1.29	1.64	1.63	1.27	1.23	0.0 %	0.0 %	0.16	0.16
Openreach sales product management	%	£15m	10.06	10.12	12.88	12.81	9.95	9.62	0.4 %	0.4 %	1.22	1.22
Optical Ethernet Electronics Capital	£/circuit	1,877.69	-	-	-	-	-	-	-	-	-	-
Co-mingling power & Vent	%	£68m	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	1,339.62	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	34.82	-	-	-	-	-	-	-	-	-	-
OR Service centre – Provision WLA	%	£20m	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£10m	-	-	-	-	-	-	-	-	-	-
OR Service Centre – Assurance Ethernet	%	£0m	-	-	0.00	0.00	0.00	0.00	0.0 %	0.0 %	-	-
OR Service Centre – Assurance WLA	%	£15m	-	-	-	-	-	-	-	-	-	-
OR Service Centre – Provision Ethernet	%	£9m	162.20	162.20	-	-	-	-	-	-	-	-
OR Systems & Development – Ethernet	£/le	25.54	25.54	25.54	25.54	25.54	25.54	25.54	0.7 %	0.7 %	3.46	3.46
Local Loop Unbundling Systems development	%	£1m	-	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	2.84	2.84	2.84	-	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	0.75	-	0.56	-	0.0 %	-	-
SLG Ethernet Assurance Internal	%	£0m	-	-	0.70	-	0.54	-	0.0 %	-	-	-
SLG Ethernet Provision External	%	£10m	-	345.24	-	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£14m	414.53	-	-	-	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,938.97	-	-	-	-	-	-	73.9 %	72.0 %	-	-
PIMR Costs	%	£580m	-	-	140.91	140.85	103.96	103.98	6.5 %	6.5 %	73.99	73.99
Revenue Receivables	%	£44m	7.90	7.94	11.61	11.55	8.97	8.68	0.3 %	0.3 %	1.10	1.10
Rounding			(0.01)	-	(0.01)	-	-	-	-	-	0.01	0.01
Fully Allocated Cost (£ or %)			1,488.45	1,419.04	2,630.98	2,628.93	2,116.57	2,111.05	100.0 %	100.0 %	125.98	125.98
	Volume (units)		14,189	14,284	25,170	21,004	54,996	40,197	(ux)	(ux)	159,160	153,599
	Fully Allocated Cost (£m)		21.1	20.3	66.2	55.2	116.4	84.9	7.9	8.0	20.1	19.3

Section 8 – Review of Business Connectivity Markets

CI Access services - BT Only calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2019 (b)

	Average cost per unit (from Appendix 1.2)	EAD Rentals - Ethernet 1 G bit and below		EAD LA Rentals - Ethernet above 1 G bit		Other Rentals - Ethernet above 1 G bit		EAD Mainlink - Ethernet above 1 G bit		Connections - Ethernet above 1 G bit		Cable link (inc Intra exchange) - Ethernet above 1 G bit		
		Internal £	External £	Internal £	External £	Internal %	External %	Internal £	External £	Internal £	External £	Internal £	External £	
Fully Allocated Cost (£ or %)														
Components	Unit (a)													
Backhaul Extension Services Fibre	£/le	5,624.36	-	-	-	0.1 %	1.6 %	-	-	-	-	-	-	
Cumulo Rates Non NGA – Openreach	%	£125m	90.80	90.80	76.69	76.69	1.1 %	1.1 %	11.35	11.35	0.12	0.15	7.38	7.16
EAD Electronics Capital	£/circuit	505.01	1,824.68	1,824.68	1,824.68	1,824.68	-	-	-	-	-	-	-	
Ethernet Access Direct Fibre	£/circuit	1,155.39	1,456.64	1,456.64	1,225.70	1,225.70	15.4 %	15.1 %	-	-	-	-	131.72	127.69
Ethernet Electronics Current	£/le	92.36	92.36	92.36	92.36	92.36	0.8 %	1.2 %	-	-	-	-	-	
Ethernet Excess Construction Capex	%	£73m	-	-	-	-	-	-	-	-	71.85	208.04	-	-
Ethernet main links	£/fibre km	34.69	-	-	-	-	-	-	34.69	34.69	-	-	-	
Ethernet Monitoring Platform	£/circuit	296.94	335.30	335.30	335.30	335.30	5.3 %	5.2 %	-	-	-	-	-	
Ofcom Administration Fee Openreach	%	£5m	4.20	4.26	3.57	3.69	0.1 %	0.1 %	0.16	0.16	2.31	3.10	0.02	0.06
Openreach sales product management	%	£15m	32.88	33.38	27.95	28.90	1.1 %	1.1 %	1.22	1.22	18.95	25.14	0.17	0.50
Optical Ethernet Electronics Capital	£/circuit	1,877.69	-	-	-	-	71.1 %	70.5 %	-	-	-	-	-	
Co-mingling power & Vent	%	£68m	-	-	-	-	-	-	-	-	-	-	-	
Co-mingling set up	£/room	1,339.62	-	-	-	-	-	-	-	-	-	-	-	
Co-mingling rentals	£/hostel	34.82	-	-	-	-	-	-	-	-	-	-	-	
OR Service centre – Provision WLA	%	£20m	-	-	-	-	-	-	-	-	-	-	-	
OR Project Services	%	£10m	-	-	-	-	-	-	-	-	-	-	-	
OR Service Centre – Assurance Ethernet	%	£0m	0.00	0.00	0.00	0.00	0.0 %	0.0 %	-	-	-	-	0.00	0.00
OR Service Centre – Assurance WLA	%	£15m	-	-	-	-	-	-	-	-	-	-	-	
OR Service Centre – Provision Ethernet	%	£9m	-	-	-	-	-	-	-	-	162.20	162.20	3.52	8.37
OR Systems & Development – Ethernet	£/le	25.54	25.54	25.54	25.54	25.54	1.0 %	1.0 %	3.46	3.46	25.54	25.54	25.54	25.54
Local Loop Unbundling Systems development	%	£1m	-	-	-	-	-	-	-	-	-	-	-	
Routeing & Records	£/line	2.84	-	-	-	-	-	-	-	-	2.84	2.84	0.06	0.15
SLG Ethernet Assurance External	%	£0m	-	1.95	-	1.69	-	0.1 %	-	-	-	-	-	
SLG Ethernet Assurance Internal	%	£0m	1.78	-	1.51	-	0.1 %	-	-	-	-	-	-	
SLG Ethernet Provision External	%	£10m	-	-	-	-	-	-	-	-	829.77	-	-	
SLG Ethernet Provision Internal	%	£14m	-	-	-	-	-	-	-	747.98	-	-	-	
Wholesale Extension Services Fibre	£/le	1,938.97	-	-	-	-	1.8 %	0.7 %	-	-	-	-	-	
PIMR Costs	%	£580m	123.07	123.07	103.56	103.56	1.4 %	1.5 %	73.99	73.99	-	-	-	
Revenue Receivables	%	£44m	29.64	30.09	25.19	26.05	0.9 %	0.9 %	1.10	1.10	14.25	19.09	0.14	0.39
Rounding			-	-	-	-	(0.2)%	(0.1)%	-	-	(0.02)	(0.01)	-	(0.01)
Fully Allocated Cost (£ or %)			4,016.89	4,018.07	3,742.05	3,744.16	100.0 %	100.0 %	125.97	125.97	1,046.02	1,275.86	168.55	169.85
	Volume (units)		65	261	19	28	(ux)	(ux)	392	1,401	902	808	506	1,415
	Fully Allocated Cost (£m)		0.3	1.0	0.1	0.1	11.8	7.0	0.0	0.2	0.9	1.0	0.1	0.2

Section 8 – Review of Business Connectivity Markets

CI Access services - BT Only calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2019 (b)

	Average cost per unit (from Appendix 1.2)	Other - Ethernet above 1 Gbit		ECC Basket		Accommodation basket		TRC Basket		Exempt Ancillary Services		Other - Project services	
		Internal £	External £	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %
Fully Allocated Cost (£ or %)													
Components	Unit (a)												
Backhaul Extension Services Fibre	£/le	5,624.36	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA – Openreach	%	£125m	11.35	11.35	0.0 %	0.0 %	-	2.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EAD Electronics Capital	£/circuit	505.01	-	-	-	-	-	-	-	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,155.39	-	-	-	-	-	-	-	-	-	-	-
Ethernet Electronics Current	£/le	92.36	-	-	-	-	-	-	-	-	-	-	-
Ethernet Excess Construction Capex	%	£73m	-	-	99.1 %	99.1 %	-	-	99.1 %	99.1 %	-	-	-
Ethernet main links	£/fibre km	34.69	34.69	-	-	-	-	-	-	-	-	-	-
Ethernet Monitoring Platform	£/circuit	296.94	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£5m	0.23	0.22	0.1 %	0.1 %	-	0.1 %	0.1 %	0.1 %	13.1 %	13.1 %	0.1 %
Openreach sales product management	%	£15m	1.87	1.82	0.4 %	0.4 %	-	0.5 %	0.4 %	0.4 %	6.2 %	6.2 %	0.4 %
Optical Ethernet Electronics Capital	£/circuit	1,877.69	-	-	-	-	-	-	-	-	-	-	-
Co-mingling power & Vent	%	£68m	-	-	-	-	-	68.2 %	-	-	-	-	-
Co-mingling set up	£/room	1,339.62	-	-	-	-	-	14.3 %	-	-	-	-	-
Co-mingling rentals	£/hostel	34.82	-	-	-	-	-	13.8 %	-	-	-	-	-
OR Service centre - Provision WLA	%	£20m	-	-	-	-	-	0.0 %	-	-	-	-	-
OR Project Services	%	£10m	-	-	-	-	-	-	-	-	-	-	99.0 %
OR Service Centre - Assurance Ethernet	%	£0m	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£15m	-	-	-	-	-	0.5 %	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£9m	-	-	-	-	-	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	25.54	3.46	3.46	-	-	-	-	-	-	-	-	-
Local Loop Unbundling Systems development	%	£1m	-	-	-	-	-	0.0 %	-	-	-	-	-
Routeing & Records	£/line	2.84	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Assurance Internal	%	£0m	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Provision External	%	£10m	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£14m	-	-	-	-	-	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,938.97	-	-	-	-	-	-	-	-	-	-	-
PIMR Costs	%	£580m	73.99	73.99	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£44m	1.60	1.56	0.4 %	0.4 %	-	0.5 %	0.4 %	0.4 %	80.7 %	80.7 %	0.5 %
Rounding			-	-	-	-	-	-	-	-	-	-	-
Fully Allocated Cost (£ or %)			127.19	127.09	100.0 %	100.0 %	-	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
	Volume (units)		20,310	12,527	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)
	Fully Allocated Cost (£m)		2.6	1.6	10.0	7.8	-	4.9	2.0	0.3	0.0	0.0	3.0

Section 8 – Review of Business Connectivity Markets

CI Access services - BT+1 Summary

For the year ended 31 March 2020

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Service											
Ethernet 1 G bit and below											
Connections	12.6	14.3	26.9	6,729	7,624	ccts	1,876.74	1,876.70	9.8	10.4	20.2
EAD Rentals	10.8	13.7	24.5	5,980	7,517	ccts	1,808.83	1,818.21	11.4	14.4	25.8
EAD LA Rentals	46.1	29.1	75.2	31,994	20,418	ccts	1,442.00	1,426.55	50.8	32.4	83.2
Other Rentals	1.1	0.9	2.0	(ux)	(ux)	(ux)	(sx)	(sx)	1.3	1.0	2.3
EAD Mainlink	4.1	6.1	10.2	22,402	34,103	km	180.96	180.28	1.4	2.2	3.6
	74.7	64.1	138.8						74.7	60.4	135.1
Ethernet above 1 G bit											
EAD Rentals	0.6	1.4	2.0	119	285	ccts	4,854.59	4,751.21	0.4	0.9	1.3
EAD LA Rentals	0.2	0.4	0.6	41	99	ccts	3,959.31	3,908.88	0.1	0.3	0.4
Other Rentals	9.1	2.5	11.6	(ux)	(ux)	(ux)	(sx)	(sx)	6.5	1.5	8.0
EAD Mainlink	0.1	0.3	0.4	602	1,460	km	180.00	180.25	0.0	0.1	0.1
Connections	6.2	3.0	9.2	2,282	745	ccts	2,719.52	4,006.28	2.1	1.2	3.3
Cable link (inc Intra exchange)	0.1	0.3	0.4	1,185	3,759	ccts	95.44	91.15	0.2	0.6	0.8
Other	2.2	0.7	2.9	8,910	2,972	fibre km	245.51	235.73	0.6	0.2	0.8
	18.5	8.6	27.1						9.9	4.8	14.7
ECC Basket	2.9	1.5	4.4	(ux)	(ux)	(ux)	(sx)	(sx)	3.7	1.9	5.6
Accommodation basket	-	0.7	0.7	(ux)	(ux)	(ux)	(sx)	(sx)	-	0.8	0.8
TRC Basket	0.6	0.1	0.7	(ux)	(ux)	(ux)	(sx)	(sx)	0.7	0.1	0.8
Exempt Ancillary Services	1.0	1.3	2.3	(ux)	(ux)	(ux)	(sx)	(sx)	0.0	0.0	0.0
Other - Project services	1.3	0.3	1.6	(ux)	(ux)	(ux)	(sx)	(sx)	1.2	0.3	1.5
Access IFRS 15	(7.1)	(4.8)	(11.9)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.4)	(0.9)	(1.3)
Access SLG	(5.4)	(3.6)	(9.0)	(ux)	(ux)	(ux)	(sx)	(sx)	(5.6)	(3.7)	(9.3)
Rounding	(0.1)	(0.3)	(0.4)						0.1	(0.3)	(0.2)
Total Ethernet Basket	86.4	67.9	154.3						84.3	63.4	147.7
Adjustment for internal	(4.3)	(3.7)	(8.0)						(4.3)	(3.7)	(8.0)
Total Ethernet Basket (excluding internal)	82.1	64.2	146.3						80.0	59.7	139.7

Section 8 – Review of Business Connectivity Markets

CI Access services – BT+1 calculation of FAC based on component costs and usage factors

For the year ended 31 March 2020

	Average cost per unit (from Appendix 1.1)	Connections – Ethernet 1 Gbit and below		EAD Rentals – Ethernet 1 Gbit and below		EAD LA Rentals – Ethernet 1 Gbit and below		Other Rentals – Ethernet 1 Gbit and below		EAD Mainlink – Ethernet 1 Gbit and below	
		Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal £	External £
Fully Allocated Cost (£ or %)											
Components	Unit (a)										
Backhaul Extension Services Fibre	£/le	1,412.66	-	-	-	-	-	4.3 %	2.5 %	-	-
Cumulo Rates Non NGA – Openreach	%	£157m	0.37	0.37	83.24	83.17	63.25	63.25	5.9 %	5.9 %	6.44
EAD Electronics Capital	£/circuit	434.80	-	-	452.54	453.16	445.96	443.00	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,060.65	-	-	1,103.58	1,102.70	834.26	834.30	-	-	-
Ethernet Electronics Current	£/le	93.08	-	-	93.08	93.08	93.08	93.08	4.5 %	4.5 %	-
Ethernet Excess Construction Capex	%	£67m	811.28	811.28	-	-	-	-	-	-	-
Ethernet main links	£/fibre km	34.58	-	-	-	-	-	-	-	-	17.35
Ethernet Monitoring Platform	£/circuit	193.42	-	-	34.87	34.87	34.87	34.87	-	-	-
Ofcom Administration Fee Openreach	%	£3m	1.11	1.11	1.07	1.08	0.85	0.84	0.1 %	0.0 %	0.11
Openreach sales product management	%	£14m	9.98	9.98	9.62	9.67	7.67	7.58	0.4 %	0.4 %	0.96
Optical Ethernet Electronics Capital	£/circuit	1,439.62	-	-	-	-	-	-	-	-	-
Co-mingling power & Vent	%	£68m	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	1,616.07	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	29.79	-	-	-	-	-	-	-	-	-
OR Service centre – Provision WLA	%	£17m	-	-	-	-	-	-	-	-	-
OR Project Services	%	£8m	-	-	-	-	-	-	-	-	-
OR Service Centre – Assurance Ethernet	%	£0m	-	-	0.00	0.00	0.00	0.00	0.0 %	0.0 %	-
OR Service Centre – Assurance WLA	%	£16m	-	-	-	-	-	-	-	-	-
OR Service Centre – Provision Ethernet	%	£6m	88.67	88.67	-	-	-	-	-	-	-
OR Systems & Development – Ethernet	£/le	24.64	24.64	24.64	24.64	24.64	24.64	24.64	1.1 %	1.1 %	3.31
Local Loop Unbundling Systems development	%	£0m	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	3.02	3.02	3.02	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	0.52	-	0.41	-	0.0 %	-
SLG Ethernet Assurance Internal	%	£0m	-	-	0.48	-	0.38	-	0.0 %	-	-
SLG Ethernet Provision External	%	£15m	-	409.69	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£19m	507.35	-	-	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,772.24	-	-	-	-	-	-	76.5 %	78.4 %	-
PIMR Costs	%	£603m	-	-	99.91	99.83	75.53	75.53	6.7 %	6.6 %	34.26
Revenue Receivables	%	£43m	10.00	10.00	11.06	11.12	8.82	8.72	0.5 %	0.5 %	1.11
Rounding			(0.01)	(0.02)	-	-	-	0.01	-	0.1 %	-
Fully Allocated Cost (£ or %)			1,456.41	1,358.74	1,914.09	1,913.84	1,589.31	1,586.23	100.0 %	100.0 %	63.54
	Volume (units)		6,729	7,624	5,980	7,517	31,994	20,418	(ux)	(ux)	22,402
	Fully Allocated Cost (£m)		9.8	10.4	11.4	14.4	50.8	32.4	1.3	1.0	1.4

Section 8 – Review of Business Connectivity Markets

CI Access services - BT+1 calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2020

	Average cost per unit (from Appendix 1.1)	EAD Rentals - Ethernet above 1 G bit		EAD LA Rentals - Ethernet above 1 G bit		Other Rentals - Ethernet above 1 G bit		EAD Mainlink - Ethernet above 1 G bit		Connections - Ethernet above 1 G bit		Cable link (inc Intra exchange) - Ethernet above 1 G bit		
		Internal £	External £	Internal £	External £	Internal %	External %	Internal £	External £	Internal £	External £	Internal £	External £	
Fully Allocated Cost (£ or %)														
Components	Unit (a)													
Backhaul Extension Services Fibre	£/le	1,412.66	-	-	-	-	0.4%	-	-	-	-	-	-	
Cumulo Rates Non NGA – Openreach	%	£157m	77.72	77.72	63.61	63.61	1.1%	1.1%	6.02	6.02	0.10	0.29	6.16	6.40
EAD Electronics Capital	£/circuit	434.80	1,608.81	1,608.81	1,608.81	1,608.81	-	-	-	-	-	-	-	
Ethernet Access Direct Fibre	£/circuit	1,060.65	1,023.79	1,023.79	833.70	833.70	14.0%	13.8%	-	-	-	-	107.27	111.48
Ethernet Electronics Current	£/le	93.08	93.08	93.08	93.08	93.08	1.2%	1.4%	-	-	-	-	-	
Ethernet Excess Construction Capex	%	£67m	-	-	-	-	-	-	-	-	59.95	534.40	-	-
Ethernet main links	£/fibre km	34.58	-	-	-	-	-	-	17.35	17.35	-	-	-	
Ethernet Monitoring Platform	£/circuit	193.42	270.72	270.72	270.72	270.72	3.6%	3.6%	-	-	-	-	-	
Ofcom Administration Fee Openreach	%	£3m	2.87	2.81	2.34	2.31	0.1%	0.1%	0.11	0.11	1.61	2.37	0.06	0.05
Openreach sales product management	%	£14m	25.81	25.26	21.05	20.78	0.7%	0.8%	0.96	0.96	13.82	21.02	0.48	0.46
Optical Ethernet Electronics Capital	£/circuit	1,439.62	-	-	-	-	74.6%	74.8%	-	-	-	-	-	
Co-mingling power & Vent	%	£68m	-	-	-	-	-	-	-	-	-	-	-	
Co-mingling set up	£/room	1,616.07	-	-	-	-	-	-	-	-	-	-	-	
Co-mingling rentals	£/hostel	29.79	-	-	-	-	-	-	-	-	-	-	-	
OR Service centre – Provision WLA	%	£17m	-	-	-	-	-	-	-	-	-	-	-	
OR Project Services	%	£8m	-	-	-	-	-	-	-	-	-	-	-	
OR Service Centre – Assurance Ethernet	%	£0m	0.00	0.00	0.00	0.00	0.0%	0.0%	-	-	-	-	0.00	0.00
OR Service Centre – Assurance WLA	%	£16m	-	-	-	-	-	-	-	-	-	-	-	
OR Service Centre – Provision Ethernet	%	£6m	-	-	-	-	-	-	-	-	88.67	88.67	8.53	5.38
OR Systems & Development – Ethernet	£/le	24.64	24.64	24.64	24.64	24.64	1.3%	1.3%	3.31	3.31	24.64	24.64	24.64	24.64
Local Loop Unbundling Systems development	%	£0m	-	-	-	-	-	-	-	-	-	-	-	
Routeing & Records	£/line	3.02	-	-	-	-	-	-	-	-	3.02	3.02	0.29	0.18
SLG Ethernet Assurance External	%	£0m	-	1.36	-	1.12	-	0.0%	-	-	-	-	-	
SLG Ethernet Assurance Internal	%	£0m	1.29	-	1.05	-	0.0%	-	-	-	-	-	-	
SLG Ethernet Provision External	%	£15m	-	-	-	-	-	-	-	-	-	874.58	-	
SLG Ethernet Provision Internal	%	£19m	-	-	-	-	-	-	-	-	735.18	-	-	
Wholesale Extension Services Fibre	£/le	1,772.24	-	-	-	-	1.2%	0.4%	-	-	-	-	-	
PIMR Costs	%	£603m	92.69	92.69	75.48	75.48	1.4%	1.3%	34.26	34.26	-	-	-	
Revenue Receivables	%	£43m	29.69	29.05	24.21	23.90	0.9%	1.0%	1.10	1.10	14.48	21.34	0.51	0.49
Rounding		(0.01)	-	-	-	-	(0.1)%	-	-	-	(0.01)	-	0.01	
Fully Allocated Cost (£ or %)		3,251.10	3,249.93	3,018.69	3,018.15	100.0%	100.0%	63.11	63.11	941.47	1,570.32	147.94	149.09	
	Volume (units)	119	285	41	99	(ux)	(ux)	602	1,460	2,282	745	1,185	3,759	
	Fully Allocated Cost (£m)	0.4	0.9	0.1	0.3	6.5	1.5	0.0	0.1	2.1	1.2	0.2	0.6	

Section 8 – Review of Business Connectivity Markets

CI Access services - BT+1 calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2020

	Average cost per unit (from Appendix 1.1)	Other - Ethernet above 1 Gbit		ECC Basket		Accommodation basket		TRC Basket		Exempt Ancillary Services		Other - Project services	
		Internal £	External £	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %
Fully Allocated Cost (£ or %)													
Components	Unit (a)												
Backhaul Extension Services Fibre	£/le	1,412.66	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA – Openreach	%	£157m	6.14	6.02	0.0 %	0.0 %	-	2.7 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %
EAD Electronics Capital	£/circuit	434.80	-	-	-	-	-	-	-	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,060.65	-	-	-	-	-	-	-	-	-	-	-
Ethernet Electronics Current	£/le	93.08	-	-	-	-	-	-	-	-	-	-	-
Ethernet Excess Construction Capex	%	£67m	-	-	99.2 %	99.2 %	-	-	99.2 %	99.2 %	-	-	-
Ethernet main links	£/fibre km	34.58	17.35	17.35	-	-	-	-	-	-	-	-	-
Ethernet Monitoring Platform	£/circuit	193.42	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£3m	0.15	0.14	0.0 %	0.0 %	-	0.1 %	0.0 %	0.0 %	9.4 %	9.4 %	0.1 %
Openreach sales product management	%	£14m	1.24	1.19	0.3 %	0.3 %	-	0.4 %	0.3 %	0.3 %	5.8 %	5.8 %	0.4 %
Optical Ethernet Electronics Capital	£/circuit	1,439.62	-	-	-	-	-	-	-	-	-	-	-
Co-mingling power & Vent	%	£68m	-	-	-	-	-	68.4 %	-	-	-	-	-
Co-mingling set up	£/room	1,616.07	-	-	-	-	-	14.8 %	-	-	-	-	-
Co-mingling rentals	£/hostel	29.79	-	-	-	-	-	12.4 %	-	-	-	-	-
OR Service centre - Provision WLA	%	£17m	-	-	-	-	-	0.0 %	-	-	-	-	-
OR Project Services	%	£8m	-	-	-	-	-	-	-	-	-	-	98.9 %
OR Service Centre - Assurance Ethernet	%	£0m	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£16m	-	-	-	-	-	0.6 %	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£6m	-	-	-	-	-	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	24.64	3.31	3.31	-	-	-	-	-	-	-	-	-
Local Loop Unbundling Systems development	%	£0m	-	-	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	3.02	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Assurance Internal	%	£0m	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Provision External	%	£15m	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£19m	-	-	-	-	-	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,772.24	-	-	-	-	-	-	-	-	-	-	-
PIMR Costs	%	£603m	34.26	34.26	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£43m	1.50	1.44	0.4 %	0.4 %	-	0.6 %	0.4 %	0.4 %	84.8 %	84.8 %	0.6 %
Rounding			-	-	0.1 %	0.1 %	-	-	0.1 %	0.1 %	-	-	(0.1)%
Fully Allocated Cost (£ or %)			63.95	63.71	100.0 %	100.0 %	-	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
	Volume (units)		8,910	2,972	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)
	Fully Allocated Cost (£m)		0.6	0.2	3.7	1.9	-	0.8	0.7	0.1	0.0	0.0	1.2

Section 8 – Review of Business Connectivity Markets

CI Access services - BT+1 Summary

Restated for the year ended 31 March 2019 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Service											
Ethernet 1 G bit and below											
Connections	9.5	9.3	18.8	6,259	6,085	ccts	1,510.55	1,520.68	9.4	8.7	18.1
EAD Rentals	11.4	12.3	23.7	5,958	6,442	ccts	1,914.63	1,902.54	12.6	13.6	26.2
EAD LA Rentals	43.1	24.5	67.6	28,979	17,041	ccts	1,486.12	1,438.53	50.6	29.6	80.2
Other Rentals	1.7	1.1	2.8	(ux)	(ux)	(ux)	(sx)	(sx)	2.4	1.6	4.0
EAD Mainlink	4.1	5.4	9.5	22,408	29,996	km	180.90	180.13	1.5	2.0	3.5
	69.8	52.6	122.4						76.5	55.5	132.0
Ethernet above 1 G bit											
EAD Rentals	0.3	0.6	0.9	53	113	ccts	4,972.93	4,877.75	0.2	0.4	0.6
EAD LA Rentals	0.1	0.1	0.2	20	25	ccts	4,142.84	4,141.08	0.1	0.1	0.2
Other Rentals	7.7	2.5	10.2	(ux)	(ux)	(ux)	(sx)	(sx)	5.1	1.6	6.7
EAD Mainlink	0.0	0.1	0.1	263	588	km	180.00	180.00	0.0	0.0	0.0
Connections	1.7	0.9	2.6	807	250	ccts	2,149.28	3,721.22	0.7	0.4	1.1
Cable link (inc Intra exchange)	0.0	0.3	0.3	1,054	3,535	ccts	41.77	71.06	0.2	0.6	0.8
Other	1.8	0.7	2.5	6,912	2,631	fibre km	264.90	262.00	0.5	0.2	0.7
	11.6	5.2	16.8						6.8	3.3	10.1
ECC Basket	3.4	2.2	5.6	(ux)	(ux)	(ux)	(sx)	(sx)	4.3	2.8	7.1
Accommodation basket	-	0.8	0.8	(ux)	(ux)	(ux)	(sx)	(sx)	-	1.3	1.3
TRC Basket	0.7	0.1	0.8	(ux)	(ux)	(ux)	(sx)	(sx)	0.9	0.1	1.0
Exempt Ancillary Services	0.5	0.4	0.9	(ux)	(ux)	(ux)	(sx)	(sx)	0.0	0.0	0.0
Other - Project services	1.1	0.3	1.4	(ux)	(ux)	(ux)	(sx)	(sx)	1.3	0.4	1.7
Access IFRS 15	0.6	(1.7)	(1.1)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.3)	(0.5)	(0.8)
Access SLG	(3.4)	(2.2)	(5.6)	(ux)	(ux)	(ux)	(sx)	(sx)	(3.4)	(2.2)	(5.6)
Rounding	-	(0.1)	(0.1)						(0.2)	(0.1)	(0.3)
Total Ethernet Basket	84.3	57.6	141.9						85.9	60.6	146.5
Adjustment for internal	(4.1)	(3.3)	(7.4)						(4.1)	(3.3)	(7.4)
Total Ethernet Basket (excluding internal)	80.2	54.3	134.5						81.8	57.3	139.1

Section 8 – Review of Business Connectivity Markets

CI Access services – BT+1 calculation of FAC based on component costs and usage factors

Restated for the year ended 31 March 2019 (b)

	Average cost per unit (from Appendix 1.2)	Connections – Ethernet 1 G bit and below		EAD Rentals – Ethernet 1 G bit and below		EAD LA Rentals – Ethernet 1 G bit and below		Other Rentals – Ethernet 1 G bit and below		EAD Mainlink – Ethernet 1 G bit and below		
		Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal £	External £	
Fully Allocated Cost (£ or %)												
Components	Unit (a)											
Backhaul Extension Services Fibre	£/le	5,624.36	-	-	-	-	-	-	12.9 %	7.5 %	-	-
Cumulo Rates Non NGA – Openreach	%	£125m	0.27	0.26	75.40	75.32	56.54	56.56	4.9 %	4.9 %	5.72	5.72
EAD Electronics Capital	£/circuit	505.01	-	-	522.96	522.20	516.76	511.80	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,155.39	-	-	1,212.31	1,211.15	904.63	904.69	-	-	-	-
Ethernet Electronics Current	£/le	92.36	-	-	92.36	92.36	92.36	92.36	3.7 %	3.9 %	-	-
Ethernet Excess Construction Capex	%	£73m	863.85	863.85	-	-	-	-	-	-	-	-
Ethernet main links	£/fibre km	34.69	-	-	-	-	-	-	-	-	17.50	17.50
Ethernet Monitoring Platform	£/circuit	296.94	-	-	52.14	52.14	52.14	52.14	-	-	-	-
Ofcom Administration Fee Openreach	%	£5m	1.31	1.32	1.66	1.65	1.29	1.24	0.1 %	0.1 %	0.16	0.16
Openreach sales product management	%	£15m	10.25	10.32	12.99	12.91	10.08	9.76	0.5 %	0.5 %	1.23	1.22
Optical Ethernet Electronics Capital	£/circuit	1,877.69	-	-	-	-	-	-	-	-	-	-
Co-mingling power & Vent	%	£68m	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	1,339.62	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	34.82	-	-	-	-	-	-	-	-	-	-
OR Service centre - Provision WLA	%	£20m	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£10m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance Ethernet	%	£0m	-	-	0.00	0.00	0.00	0.00	0.0 %	0.0 %	-	-
OR Service Centre - Assurance WLA	%	£15m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£9m	162.20	162.20	-	-	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	25.54	25.54	25.54	25.54	25.54	25.54	25.54	0.9 %	1.0 %	3.46	3.46
Local Loop Unbundling Systems development	%	£1m	-	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	2.84	2.84	2.84	-	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	0.75	-	0.57	-	0.0 %	-	-
SLG Ethernet Assurance Internal	%	£0m	-	-	0.70	-	0.55	-	0.0 %	-	-	-
SLG Ethernet Provision External	%	£10m	-	352.08	-	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£14m	422.40	-	-	-	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,938.97	-	-	-	-	-	-	70.2 %	75.3 %	-	-
PIMR Costs	%	£580m	-	-	102.42	102.33	76.43	76.43	6.4 %	6.4 %	37.31	37.31
Revenue Receivables	%	£44m	8.05	8.10	11.71	11.63	9.09	8.80	0.4 %	0.4 %	1.11	1.10
Rounding			(0.02)	(0.01)	-	-	(0.01)	-	-	-	(0.01)	(0.01)
Fully Allocated Cost (£ or %)			1,496.69	1,426.50	2,110.19	2,107.98	1,745.40	1,739.89	100.0 %	100.0 %	66.48	66.46
	Volume (units)		6,259	6,085	5,958	6,442	28,979	17,041	(ux)	(ux)	22,408	29,996
	Fully Allocated Cost (£m)		9.4	8.7	12.6	13.6	50.6	29.6	2.4	1.6	1.5	2.0

Section 8 – Review of Business Connectivity Markets

CI Access services - BT+1 calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2019 (b)

Components	Unit (a)	Average cost per unit (from Appendix 1.2)	EAD Rentals - Ethernet above 1 G bit		EAD LA Rentals - Ethernet above 1 G bit		Other Rentals - Ethernet above 1 G bit		EAD Mainlink - Ethernet above 1 G bit		Connections - Ethernet above 1 G bit		Cable link (inc Intra exchange) - Ethernet above 1 G bit	
			Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External
			£	£	£	£	%	%	£	£	£	£	£	£
Fully Allocated Cost (£ or %)														
Components	Unit (a)													
Backhaul Extension Services Fibre	£/le	5,624.36	-	-	-	-	-	1.5%	-	-	-	-	-	-
Cumulo Rates Non NGA – Openreach	%	£125m	67.20	67.20	56.83	56.83	0.8%	0.8%	5.72	5.72	0.11	0.18	7.22	7.13
EAD Electronics Capital	£/circuit	505.01	1,824.68	1,824.68	1,824.68	1,824.68	-	-	-	-	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,155.39	1,071.18	1,071.18	903.35	903.35	10.4%	10.1%	-	-	-	-	128.78	127.25
Ethernet Electronics Current	£/le	92.36	92.36	92.36	92.36	92.36	0.8%	1.2%	-	-	-	-	-	-
Ethernet Excess Construction Capex	%	£73m	-	-	-	-	-	-	-	-	83.46	361.68	-	-
Ethernet main links	£/fibre km	34.69	-	-	-	-	-	-	17.50	17.50	-	-	-	-
Ethernet Monitoring Platform	£/circuit	296.94	335.30	335.30	335.30	335.30	5.7%	5.6%	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£5m	4.30	4.22	3.59	3.58	0.1%	0.1%	0.16	0.16	1.86	3.22	0.04	0.06
Openreach sales product management	%	£15m	33.73	33.09	28.10	28.09	1.1%	1.2%	1.22	1.22	15.16	25.77	0.30	0.51
Optical Ethernet Electronics Capital	£/circuit	1,877.69	-	-	-	-	76.5%	75.8%	-	-	-	-	-	-
Co-mingling power & Vent	%	£68m	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	1,339.62	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	34.82	-	-	-	-	-	-	-	-	-	-	-	-
OR Service centre - Provision WLA	%	£20m	-	-	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£10m	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance Ethernet	%	£0m	0.00	0.00	0.00	0.00	0.0%	0.0%	-	-	-	-	0.00	0.00
OR Service Centre - Assurance WLA	%	£15m	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£9m	-	-	-	-	-	-	-	-	162.20	162.20	7.06	8.90
OR Systems & Development - Ethernet	£/le	25.54	25.54	25.54	25.54	25.54	1.1%	1.0%	3.46	3.46	25.54	25.54	25.54	25.54
Local Loop Unbundling Systems development	%	£1m	-	-	-	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	2.84	-	-	-	-	-	-	-	-	2.84	2.84	0.12	0.16
SLG Ethernet Assurance External	%	£0m	-	1.93	-	1.64	-	0.1%	-	-	-	-	-	-
SLG Ethernet Assurance Internal	%	£0m	1.83	-	1.52	-	0.1%	-	-	-	-	-	-	-
SLG Ethernet Provision External	%	£10m	-	-	-	-	-	-	-	-	-	861.57	-	-
SLG Ethernet Provision Internal	%	£14m	-	-	-	-	-	-	-	-	601.01	-	-	-
Wholesale Extension Services Fibre	£/le	1,938.97	-	-	-	-	1.7%	0.6%	-	-	-	-	-	-
PIMR Costs	%	£580m	90.50	90.50	76.32	76.32	1.0%	1.0%	37.31	37.31	-	-	-	-
Revenue Receivables	%	£44m	30.41	29.83	25.33	25.32	0.9%	1.0%	1.10	1.10	11.45	19.82	0.23	0.39
Rounding			-	-	0.02	0.02	(0.2)%	-	(0.01)	(0.01)	(0.01)	0.01	(0.01)	-
Fully Allocated Cost (£ or %)			3,577.03	3,575.83	3,372.94	3,373.03	100.0%	100.0%	66.46	66.46	903.62	1,462.83	169.28	169.94
	Volume (units)		53	113	20	25	(ux)	(ux)	263	588	807	250	1,054	3,535
	Fully Allocated Cost (£m)		0.2	0.4	0.1	0.1	5.1	1.6	0.0	0.0	0.7	0.4	0.2	0.6

Section 8 – Review of Business Connectivity Markets

CI Access services - BT+1 calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2019 (b)

	Average cost per unit (from Appendix 1.2)	Other - Ethernet above 1 Gbit		ECC Basket		Accommodation basket		TRC Basket		Exempt Ancillary Services		Other - Project services	
		Internal £	External £	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %
Fully Allocated Cost (£ or %)													
Components	Unit (a)												
Backhaul Extension Services Fibre	£/le	5,624.36	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA – Openreach	%	£125m	5.72	5.72	0.0 %	0.0 %	-	2.4 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EAD Electronics Capital	£/circuit	505.01	-	-	-	-	-	-	-	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,155.39	-	-	-	-	-	-	-	-	-	-	-
Ethernet Electronics Current	£/le	92.36	-	-	-	-	-	-	-	-	-	-	-
Ethernet Excess Construction Capex	%	£73m	-	-	99.1 %	99.1 %	-	-	99.1 %	99.1 %	-	-	-
Ethernet main links	£/fibre km	34.69	17.50	17.50	-	-	-	-	-	-	-	-	-
Ethernet Monitoring Platform	£/circuit	296.94	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£5m	0.23	0.23	0.1 %	0.1 %	-	0.1 %	0.1 %	0.1 %	13.1 %	13.1 %	0.1 %
Openreach sales product management	%	£15m	1.89	1.87	0.4 %	0.4 %	-	0.4 %	0.4 %	0.4 %	6.2 %	6.2 %	0.4 %
Optical Ethernet Electronics Capital	£/circuit	1,877.69	-	-	-	-	-	-	-	-	-	-	-
Co-mingling power & Vent	%	£68m	-	-	-	-	-	77.0 %	-	-	-	-	-
Co-mingling set up	£/room	1,339.62	-	-	-	-	-	9.9 %	-	-	-	-	-
Co-mingling rentals	£/hostel	34.82	-	-	-	-	-	9.5 %	-	-	-	-	-
OR Service centre - Provision WLA	%	£20m	-	-	-	-	-	0.0 %	-	-	-	-	-
OR Project Services	%	£10m	-	-	-	-	-	-	-	-	-	-	99.0 %
OR Service Centre - Assurance Ethernet	%	£0m	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£15m	-	-	-	-	-	0.4 %	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£9m	-	-	-	-	-	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	25.54	3.46	3.46	-	-	-	-	-	-	-	-	-
Local Loop Unbundling Systems development	%	£1m	-	-	-	-	-	0.0 %	-	-	-	-	-
Routeing & Records	£/line	2.84	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Assurance Internal	%	£0m	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Provision External	%	£10m	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£14m	-	-	-	-	-	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,938.97	-	-	-	-	-	-	-	-	-	-	-
PIMR Costs	%	£580m	37.31	37.31	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£44m	1.62	1.60	0.4 %	0.4 %	-	0.4 %	0.4 %	0.4 %	80.7 %	80.7 %	0.5 %
Rounding			-	-	-	-	-	(0.1)%	-	-	-	-	-
Fully Allocated Cost (£ or %)			67.73	67.69	100.0 %	100.0 %	-	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
	Volume (units)		6,912	2,631	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)
	Fully Allocated Cost (£m)		0.5	0.2	4.3	2.8	-	1.3	0.9	0.1	0.0	0.0	1.3

Section 8 – Review of Business Connectivity Markets

High Network Reach Areas Outside CLA Summary

For the year ended 31 March 2020

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Service											
Ethernet 1 G bit and below											
Connections	1.7	2.1	3.8	927	1,110	ccts	1,875.71	1,877.11	1.3	1.5	2.8
EAD Rentals	0.7	1.7	2.4	388	924	ccts	1,817.94	1,809.28	0.6	1.4	2.0
EAD LA Rentals	6.9	5.0	11.9	4,767	3,478	ccts	1,450.79	1,449.28	6.0	4.4	10.4
Other Rentals	0.2	0.0	0.2	(ux)	(ux)	(ux)	(sx)	(sx)	0.1	0.0	0.1
EAD Mainlink	0.2	0.3	0.5	837	1,587	km	182.75	180.00	0.1	0.1	0.2
	9.7	9.1	18.8						8.1	7.4	15.5
Ethernet above 1 G bit											
EAD Rentals	0.1	0.1	0.2	16	18	ccts	4,835.01	4,944.41	0.0	0.0	0.0
EAD LA Rentals	0.0	0.1	0.1	11	28	ccts	3,870.44	4,070.63	0.0	0.1	0.1
Other Rentals	0.7	0.1	0.8	(ux)	(ux)	(ux)	(sx)	(sx)	0.4	0.1	0.5
EAD Mainlink	0.0	0.0	0.0	56	36	km	180.00	180.00	0.0	0.0	0.0
Connections	0.5	0.1	0.6	157	26	ccts	2,996.05	5,083.62	0.2	0.1	0.3
Cable link (inc Intra exchange)	-	-	-	-	-	ccts	-	-	-	-	-
Other	0.1	0.0	0.1	255	124	fibre km	263.26	220.96	0.0	0.0	0.0
	1.4	0.4	1.8						0.6	0.3	0.9
ECC Basket	0.4	0.2	0.6	(ux)	(ux)	(ux)	(sx)	(sx)	0.5	0.3	0.8
Accommodation basket	-	0.0	0.0	(ux)	(ux)	(ux)	(sx)	(sx)	-	0.0	0.0
TRC Basket	0.1	0.0	0.1	(ux)	(ux)	(ux)	(sx)	(sx)	0.1	0.0	0.1
Exempt Ancillary Services	0.1	0.2	0.3	(ux)	(ux)	(ux)	(sx)	(sx)	0.0	0.0	0.0
Other - Project services	0.2	0.0	0.2	(ux)	(ux)	(ux)	(sx)	(sx)	0.2	0.0	0.2
Access IFRS 15	(0.7)	(0.5)	(1.2)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.0)	(0.1)	(0.1)
Access SLG	(0.6)	(0.5)	(1.1)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.7)	(0.5)	(1.2)
Rounding	(0.2)	0.1	(0.1)						-	-	-
Total Ethernet Basket	10.4	9.0	19.4						8.8	7.4	16.2
Adjustment for internal	(0.3)	(0.3)	(0.6)						(0.3)	(0.3)	(0.6)
Total Ethernet Basket (excluding internal)	10.1	8.7	18.8						8.5	7.1	15.6

Section 8 – Review of Business Connectivity Markets

High Network Reach Areas Outside CLA calculation of FAC based on component costs and usage factors

For the year ended 31 March 2020

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.1)	Connections – Ethernet 1 G bit and below		EAD Rentals – Ethernet 1 G bit and below		EAD LA Rentals – Ethernet 1 G bit and below		Other Rentals – Ethernet 1 G bit and below		EAD Mainlink – Ethernet 1 G bit and below		
		Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal £	External £	
Components	Unit (a)											
Backhaul Extension Services Fibre	£/le	1,412.66	-	-	-	-	-	4.0 %	2.4 %	-	-	
Cumulo Rates Non NGA – Openreach	%	£157m	0.37	0.37	55.30	55.29	42.43	42.43	5.7 %	5.7 %	6.17	6.02
EAD Electronics Capital	£/circuit	434.80	-	-	453.03	451.85	446.63	446.47	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,060.65	-	-	727.17	727.06	553.84	553.81	-	-	-	-
Ethernet Electronics Current	£/le	93.08	-	-	93.08	93.08	93.08	93.08	6.7 %	6.6 %	-	-
Ethernet Excess Construction Capex	%	£67m	811.28	811.28	-	-	-	-	-	-	-	-
Ethernet main links	£/fibre km	34.58	-	-	-	-	-	-	-	-	17.35	17.35
Ethernet Monitoring Platform	£/circuit	193.42	-	-	34.87	34.87	34.87	34.87	-	-	-	-
Ofcom Administration Fee Openreach	%	£3m	1.11	1.11	1.08	1.07	0.86	0.86	0.1 %	0.1 %	0.11	0.11
Openreach sales product management	%	£14m	9.97	9.98	9.66	9.62	7.71	7.70	0.6 %	0.6 %	0.97	0.96
Optical Ethernet Electronics Capital	£/circuit	1,439.62	-	-	-	-	-	-	-	-	-	-
Co-mingling power & Vent	%	£68m	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	1,616.07	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	29.79	-	-	-	-	-	-	-	-	-	-
OR Service centre - Provision WLA	%	£17m	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£8m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance Ethernet	%	£0m	-	-	0.00	0.00	0.00	0.00	0.0 %	0.0 %	-	-
OR Service Centre - Assurance WLA	%	£16m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£6m	88.67	88.67	-	-	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	24.64	24.64	24.64	24.64	24.64	24.64	24.64	1.5 %	1.6 %	3.31	3.31
Local Loop Unbundling Systems development	%	£0m	-	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	3.02	3.02	3.02	-	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	0.52	-	0.41	-	0.0 %	-	-
SLG Ethernet Assurance Internal	%	£0m	-	-	0.48	-	0.39	-	0.0 %	-	-	-
SLG Ethernet Provision External	%	£15m	-	409.77	-	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£19m	507.07	-	-	-	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,772.24	-	-	-	-	-	-	74.2 %	75.9 %	-	-
PIMR Costs	%	£603m	-	-	65.83	65.82	50.14	50.14	6.4 %	6.4 %	34.26	34.26
Revenue Receivables	%	£43m	9.99	10.00	11.12	11.06	8.87	8.86	0.8 %	0.7 %	1.12	1.10
Rounding			-	-	-	0.01	-	0.01	-	-	0.01	-
Fully Allocated Cost (£ or %)			1,456.12	1,358.84	1,476.26	1,474.89	1,263.46	1,263.28	100.0 %	100.0 %	63.30	63.11
	Volume (units)		927	1,110	388	924	4,767	3,478	(ux)	(ux)	837	1,587
	Fully Allocated Cost (£m)		1.3	1.5	0.6	1.4	6.0	4.4	0.1	0.0	0.1	0.1

Section 8 – Review of Business Connectivity Markets

High Network Reach Areas Outside CLA calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2020

	Average cost per unit (from Appendix 1.1)	EAD Rentals - Ethernet above 1 G bit		EAD LA Rentals - Ethernet above 1 G bit		Other Rentals - Ethernet above 1 G bit		EAD Mainlink - Ethernet above 1 G bit		Connections - Ethernet above 1 G bit		Cable link (inc Intra exchange) - Ethernet above 1 G bit	
		Internal £	External £	Internal £	External £	Internal %	External %	Internal £	External £	Internal £	External £	Internal £	External £
Fully Allocated Cost (£ or %)													
Components	Unit (a)												
Backhaul Extension Services Fibre	£/le	1,412.66	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA – Openreach	%	£157m	50.45	50.45	42.79	42.80	1.0%	0.8%	6.02	6.02	0.14	0.41	-
EAD Electronics Capital	£/circuit	434.80	1,608.81	1,608.81	1,608.81	1,608.81	-	-	-	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,060.65	656.36	656.36	553.24	553.24	10.7%	11.0%	-	-	-	-	-
Ethernet Electronics Current	£/le	93.08	93.08	93.08	93.08	93.08	1.6%	1.3%	-	-	-	-	-
Ethernet Excess Construction Capex	%	£67m	-	-	-	-	-	-	-	-	149.44	811.28	-
Ethernet main links	£/fibre km	34.58	-	-	-	-	-	-	17.35	17.35	-	-	-
Ethernet Monitoring Platform	£/circuit	193.42	270.72	270.72	270.72	270.72	3.6%	3.8%	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£3m	2.86	2.93	2.29	2.41	0.1%	0.1%	0.11	0.11	1.77	3.01	-
Openreach sales product management	%	£14m	25.71	26.29	20.57	21.64	0.9%	0.7%	0.96	0.96	15.34	27.02	-
Optical Ethernet Electronics Capital	£/circuit	1,439.62	-	-	-	-	75.5%	79.0%	-	-	-	-	-
Co-mingling power & Vent	%	£68m	-	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	1,616.07	-	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	29.79	-	-	-	-	-	-	-	-	-	-	-
OR Service centre - Provision WLA	%	£17m	-	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£8m	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance Ethernet	%	£0m	0.00	0.00	0.00	0.00	0.0%	0.0%	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£16m	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£6m	-	-	-	-	-	-	-	-	88.67	88.67	-
OR Systems & Development - Ethernet	£/le	24.64	24.64	24.64	24.64	24.64	1.4%	1.4%	3.31	3.31	24.64	24.64	-
Local Loop Unbundling Systems development	%	£0m	-	-	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	3.02	-	-	-	-	-	-	-	-	3.02	3.02	-
SLG Ethernet Assurance External	%	£0m	-	1.41	-	1.16	-	0.0%	-	-	-	-	-
SLG Ethernet Assurance Internal	%	£0m	1.28	-	1.03	-	0.0%	-	-	-	-	-	-
SLG Ethernet Provision External	%	£15m	-	-	-	-	-	-	-	-	-	1,109.76	-
SLG Ethernet Provision Internal	%	£19m	-	-	-	-	-	-	-	-	809.93	-	-
Wholesale Extension Services Fibre	£/le	1,772.24	-	-	-	-	2.9%	-	-	-	-	-	-
PIMR Costs	%	£603m	59.42	59.42	50.09	50.09	1.2%	1.0%	34.26	34.26	-	-	-
Revenue Receivables	%	£43m	29.57	30.24	23.67	24.89	1.1%	0.9%	1.10	1.10	15.96	27.08	-
Rounding			-	(0.01)	(0.01)	(0.01)	-	-	-	(0.01)	-	-	-
Fully Allocated Cost (£ or %)			2,822.90	2,824.34	2,690.92	2,693.47	100.0%	100.0%	63.11	63.10	1,108.91	2,094.89	-
	Volume (units)		16	18	11	28	(ux)	(ux)	56	36	157	26	-
	Fully Allocated Cost (£m)		0.0	0.0	0.0	0.1	0.4	0.1	0.0	0.0	0.2	0.1	-

Section 8 – Review of Business Connectivity Markets

High Network Reach Areas Outside CLA calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2020

	Average cost per unit (from Appendix 1.1)	Other - Ethernet above 1 Gbit		ECC Basket		Accommodation basket		TRC Basket		Exempt Ancillary Services		Other - Project services	
		Internal £	External £	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %
Fully Allocated Cost (£ or %)													
Components	Unit (a)												
Backhaul Extension Services Fibre	£/le	1,412.66	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA – Openreach	%	£157m	6.08	6.02	0.0 %	0.0 %	-	3.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %
EAD Electronics Capital	£/circuit	434.80	-	-	-	-	-	-	-	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,060.65	-	-	-	-	-	-	-	-	-	-	-
Ethernet Electronics Current	£/le	93.08	-	-	-	-	-	-	-	-	-	-	-
Ethernet Excess Construction Capex	%	£67m	-	-	99.2 %	99.2 %	-	-	99.2 %	99.2 %	-	-	-
Ethernet main links	£/fibre km	34.58	17.35	17.35	-	-	-	-	-	-	-	-	-
Ethernet Monitoring Platform	£/circuit	193.42	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£3m	0.16	0.13	0.0 %	0.0 %	-	0.0 %	0.0 %	0.0 %	9.4 %	9.4 %	0.1 %
Openreach sales product management	%	£14m	1.33	1.12	0.3 %	0.3 %	-	0.3 %	0.3 %	0.3 %	5.8 %	5.8 %	0.4 %
Optical Ethernet Electronics Capital	£/circuit	1,439.62	-	-	-	-	-	-	-	-	-	-	-
Co-mingling power & Vent	%	£68m	-	-	-	-	-	78.5 %	-	-	-	-	-
Co-mingling set up	£/room	1,616.07	-	-	-	-	-	9.4 %	-	-	-	-	-
Co-mingling rentals	£/hostel	29.79	-	-	-	-	-	7.9 %	-	-	-	-	-
OR Service centre - Provision WLA	%	£17m	-	-	-	-	-	0.0 %	-	-	-	-	-
OR Project Services	%	£8m	-	-	-	-	-	-	-	-	-	-	98.9 %
OR Service Centre - Assurance Ethernet	%	£0m	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£16m	-	-	-	-	-	0.4 %	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£6m	-	-	-	-	-	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	24.64	3.31	3.31	-	-	-	-	-	-	-	-	-
Local Loop Unbundling Systems development	%	£0m	-	-	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	3.02	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Assurance Internal	%	£0m	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Provision External	%	£15m	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£19m	-	-	-	-	-	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,772.24	-	-	-	-	-	-	-	-	-	-	-
PIMR Costs	%	£603m	34.26	34.26	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£43m	1.61	1.35	0.4 %	0.4 %	-	0.4 %	0.4 %	0.4 %	84.8 %	84.8 %	0.6 %
Rounding			-	-	0.1 %	0.1 %	-	(0.1)%	0.1 %	0.1 %	-	-	(0.1)%
Fully Allocated Cost (£ or %)			64.10	63.54	100.0 %	100.0 %	-	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
	Volume (units)		255	124	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)
	Fully Allocated Cost (£m)		0.0	0.0	0.5	0.3	-	0.0	0.1	0.0	0.0	0.0	0.2

Section 8 – Review of Business Connectivity Markets

High Network Reach Areas Outside CLA Summary

Restated for the year ended 31 March 2019 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Service											
Ethernet 1 G bit and below											
Connections	1.5	1.7	3.2	931	1,117	ccts	1,576.69	1,527.59	1.4	1.6	3.0
EAD Rentals	0.7	1.4	2.1	384	752	ccts	1,923.44	1,881.96	0.6	1.2	1.8
EAD LA Rentals	6.7	4.5	11.2	4,514	3,018	ccts	1,486.89	1,476.66	6.3	4.2	10.5
Other Rentals	0.3	0.1	0.4	(ux)	(ux)	(ux)	(sx)	(sx)	0.2	0.1	0.3
EAD Mainlink	0.2	0.3	0.5	875	1,414	km	182.57	180.44	0.1	0.1	0.2
	9.4	8.0	17.4						8.6	7.2	15.8
Ethernet above 1 G bit											
EAD Rentals	0.1	0.1	0.2	11	12	ccts	4,872.92	4,929.45	0.0	0.0	0.0
EAD LA Rentals	0.0	0.1	0.1	4	14	ccts	3,947.50	4,122.31	0.0	0.0	0.0
Other Rentals	0.7	0.1	0.8	(ux)	(ux)	(ux)	(sx)	(sx)	0.4	0.1	0.5
EAD Mainlink	0.0	0.0	0.0	46	26	km	180.00	180.00	0.0	0.0	0.0
Connections	0.2	0.1	0.3	66	26	ccts	2,302.30	4,044.26	0.1	0.0	0.1
Cable link (inc Intra exchange)	-	-	-	-	-	ccts	-	-	-	-	-
Other	0.1	0.0	0.1	508	81	fibre km	265.35	244.75	0.0	0.0	0.0
	1.1	0.4	1.5						0.5	0.1	0.6
ECC Basket	0.5	0.3	0.8	(ux)	(ux)	(ux)	(sx)	(sx)	0.6	0.4	1.0
Accommodation basket	-	0.0	0.0	(ux)	(ux)	(ux)	(sx)	(sx)	-	0.2	0.2
TRC Basket	0.1	0.0	0.1	(ux)	(ux)	(ux)	(sx)	(sx)	0.1	0.0	0.1
Exempt Ancillary Services	0.1	0.1	0.2	(ux)	(ux)	(ux)	(sx)	(sx)	0.0	0.0	0.0
Other - Project services	0.2	0.0	0.2	(ux)	(ux)	(ux)	(sx)	(sx)	0.2	0.1	0.3
Access IFRS 15	0.1	(0.2)	(0.1)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.0)	(0.1)	(0.1)
Access SLG	(0.5)	(0.4)	(0.9)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.5)	(0.4)	(0.9)
Rounding	(0.2)	(0.1)	(0.3)						0.1	0.1	0.2
Total Ethernet Basket	10.8	8.1	18.9						9.6	7.6	17.2
Adjustment for internal	(0.3)	(0.3)	(0.6)						(0.3)	(0.3)	(0.6)
Total Ethernet Basket (excluding internal)	10.5	7.8	18.3						9.3	7.3	16.6

Section 8 – Review of Business Connectivity Markets

High Network Reach Areas Outside CLA calculation of FAC based on component costs and usage factors

Restated for the year ended 31 March 2019 (b)

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.2)	Connections - Ethernet 1 G bit and below		EAD Rentals - Ethernet 1 G bit and below		EAD LA Rentals - Ethernet 1 G bit and below		Other Rentals - Ethernet 1 G bit and below		EAD Mainlink - Ethernet 1 G bit and below		
		Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	
		£	£	£	£	£	£	%	%	£	£	
Components	Unit (a)											
Backhaul Extension Services Fibre	£/le	5,624.36	-	-	-	-	-	14.0 %	5.5 %	-	-	-
Cumulo Rates Non NGA – Openreach	%	£125m	0.27	0.26	49.82	49.83	37.81	37.81	4.8 %	4.8 %	5.72	5.72
EAD Electronics Capital	£/circuit	505.01	-	-	523.26	520.42	516.42	515.67	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,155.39	-	-	794.12	794.35	598.98	598.94	-	-	-	-
Ethernet Electronics Current	£/le	92.36	-	-	92.36	92.36	92.36	92.36	5.5 %	5.9 %	-	-
Ethernet Excess Construction Capex	%	£73m	863.85	863.85	-	-	-	-	-	-	-	-
Ethernet main links	£/fibre km	34.69	-	-	-	-	-	-	-	-	17.50	17.50
Ethernet Monitoring Platform	£/circuit	296.94	-	-	52.14	52.14	52.14	52.14	-	-	-	-
Ofcom Administration Fee Openreach	%	£5m	1.36	1.32	1.66	1.63	1.29	1.28	0.1 %	0.1 %	0.16	0.16
Openreach sales product management	%	£15m	10.70	10.36	13.05	12.77	10.09	10.02	0.7 %	0.7 %	1.24	1.22
Optical Ethernet Electronics Capital	£/circuit	1,877.69	-	-	-	-	-	-	-	-	-	-
Co-mingling power & Vent	%	£68m	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	1,339.62	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	34.82	-	-	-	-	-	-	-	-	-	-
OR Service centre - Provision WLA	%	£20m	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£10m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance Ethernet	%	£0m	-	-	0.00	0.00	0.00	0.00	0.0 %	0.0 %	-	-
OR Service Centre - Assurance WLA	%	£15m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£9m	162.20	162.20	-	-	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	25.54	25.54	25.54	25.54	25.54	25.54	25.54	1.3 %	1.4 %	3.46	3.46
Local Loop Unbundling Systems development	%	£1m	-	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	2.84	2.84	2.84	-	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	0.74	-	0.58	-	0.0 %	-	-
SLG Ethernet Assurance Internal	%	£0m	-	-	0.71	-	0.55	-	0.0 %	-	-	-
SLG Ethernet Provision External	%	£10m	-	353.68	-	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£14m	440.89	-	-	-	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,938.97	-	-	-	-	-	-	66.7 %	74.8 %	-	-
PIMR Costs	%	£580m	-	-	67.09	67.11	50.61	50.60	6.2 %	6.2 %	37.31	37.31
Revenue Receivables	%	£44m	8.40	8.14	11.76	11.51	9.09	9.03	0.6 %	0.6 %	1.12	1.10
Rounding			(0.01)	-	(0.01)	-	(0.01)	-	0.1 %	-	(0.01)	-
Fully Allocated Cost (£ or %)			1,516.04	1,428.19	1,631.50	1,628.40	1,394.87	1,393.97	100.0 %	100.0 %	66.50	66.47
	Volume (units)		931	1,117	384	752	4,514	3,018	(ux)	(ux)	875	1,414
	Fully Allocated Cost (£m)		1.4	1.6	0.6	1.2	6.3	4.2	0.2	0.1	0.1	0.1

Section 8 – Review of Business Connectivity Markets

High Network Reach Areas Outside CLA calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2019 (b)

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.2)	EAD Rentals - Ethernet above 1 G bit		EAD LA Rentals - Ethernet above 1 G bit		Other Rentals - Ethernet above 1 G bit		EAD Mainlink - Ethernet above 1 G bit		Connections - Ethernet above 1 G bit		Cable link (inc Intra exchange) - Ethernet above 1 G bit		
		Internal £	External £	Internal £	External £	Internal %	External %	Internal £	External £	Internal £	External £	Internal £	External £	
Components	Unit (a)													
Backhaul Extension Services Fibre	£/le	5,624.36	-	-	-	-	-	-	-	-	-	-	-	
Cumulo Rates Non NGA – Openreach	%	£125m	44.71	44.71	38.09	38.09	0.6%	0.5%	5.72	5.72	0.13	0.22	-	-
EAD Electronics Capital	£/circuit	505.01	1,824.68	1,824.68	1,824.68	1,824.68	-	-	-	-	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,155.39	705.56	705.56	597.36	597.36	7.0%	7.2%	-	-	-	-	-	-
Ethernet Electronics Current	£/le	92.36	92.36	92.36	92.36	92.36	1.1%	1.0%	-	-	-	-	-	-
Ethernet Excess Construction Capex	%	£73m	-	-	-	-	-	-	-	-	143.82	533.07	-	-
Ethernet main links	£/fibre km	34.69	-	-	-	-	-	-	17.50	17.50	-	-	-	-
Ethernet Monitoring Platform	£/circuit	296.94	335.30	335.30	335.30	335.30	5.7%	6.0%	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£5m	4.22	4.27	3.42	3.57	0.2%	0.1%	0.16	0.16	1.99	3.50	-	-
Openreach sales product management	%	£15m	33.05	33.44	26.77	27.97	1.2%	1.0%	1.22	1.22	16.10	27.67	-	-
Optical Ethernet Electronics Capital	£/circuit	1,877.69	-	-	-	-	77.7%	81.5%	-	-	-	-	-	-
Co-mingling power & Vent	%	£68m	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	1,339.62	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	34.82	-	-	-	-	-	-	-	-	-	-	-	-
OR Service centre - Provision WLA	%	£20m	-	-	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£10m	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance Ethernet	%	£0m	0.00	0.00	0.00	0.00	0.0%	0.0%	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£15m	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£9m	-	-	-	-	-	-	-	-	162.20	162.20	-	-
OR Systems & Development - Ethernet	£/le	25.54	25.54	25.54	25.54	25.54	1.1%	1.1%	3.46	3.46	25.54	25.54	-	-
Local Loop Unbundling Systems development	%	£1m	-	-	-	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	2.84	-	-	-	-	-	-	-	-	2.84	2.84	-	-
SLG Ethernet Assurance External	%	£0m	-	1.95	-	1.63	-	0.1%	-	-	-	-	-	-
SLG Ethernet Assurance Internal	%	£0m	1.79	-	1.45	-	0.1%	-	-	-	-	-	-	-
SLG Ethernet Provision External	%	£10m	-	-	-	-	-	-	-	-	-	936.37	-	-
SLG Ethernet Provision Internal	%	£14m	-	-	-	-	-	-	-	-	643.80	-	-	-
Wholesale Extension Services Fibre	£/le	1,938.97	-	-	-	-	3.3%	-	-	-	-	-	-	-
PIMR Costs	%	£580m	59.61	59.61	50.47	50.47	0.9%	0.6%	37.31	37.31	-	-	-	-
Revenue Receivables	%	£44m	29.80	30.14	24.14	25.21	1.1%	0.8%	1.10	1.10	12.26	21.54	-	-
Rounding			0.01	0.01	0.01	0.01	-	0.1%	(0.01)	(0.01)	(0.01)	-	-	-
Fully Allocated Cost (£ or %)			3,156.63	3,157.57	3,019.59	3,022.19	100.0%	100.0%	66.46	66.46	1,008.67	1,712.95	-	-
	Volume (units)		11	12	4	14	(ux)	(ux)	46	26	66	26	-	-
	Fully Allocated Cost (£m)		0.0	0.0	0.0	0.0	0.4	0.1	0.0	0.0	0.1	0.0	-	-

Section 8 – Review of Business Connectivity Markets

High Network Reach Areas Outside CLA calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2019 (b)

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.2)	Other – Ethernet above 1 G bit		ECC Basket		Accommodation basket		TRC Basket		Exempt Ancillary Services		Other – Project services	
		Internal £	External £	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %
Components	Unit (a)												
Backhaul Extension Services Fibre	£/le	5,624.36	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA – Openreach	%	£125m	5.72	5.72	0.0 %	0.0 %	-	3.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EAD Electronics Capital	£/circuit	505.01	-	-	-	-	-	-	-	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,155.39	-	-	-	-	-	-	-	-	-	-	-
Ethernet Electronics Current	£/le	92.36	-	-	-	-	-	-	-	-	-	-	-
Ethernet Excess Construction Capex	%	£73m	-	-	99.1 %	99.1 %	-	-	99.1 %	99.1 %	-	-	-
Ethernet main links	£/fibre km	34.69	17.50	17.50	-	-	-	-	-	-	-	-	-
Ethernet Monitoring Platform	£/circuit	296.94	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£5m	0.23	0.21	0.1 %	0.1 %	-	0.0 %	0.1 %	0.1 %	13.1 %	13.1 %	0.1 %
Openreach sales product management	%	£15m	1.90	1.75	0.4 %	0.4 %	-	0.1 %	0.4 %	0.4 %	6.2 %	6.2 %	0.4 %
Optical Ethernet Electronics Capital	£/circuit	1,877.69	-	-	-	-	-	-	-	-	-	-	-
Co-mingling power & Vent	%	£68m	-	-	-	-	-	90.5 %	-	-	-	-	-
Co-mingling set up	£/room	1,339.62	-	-	-	-	-	3.1 %	-	-	-	-	-
Co-mingling rentals	£/hostel	34.82	-	-	-	-	-	3.0 %	-	-	-	-	-
OR Service centre - Provision WLA	%	£20m	-	-	-	-	-	0.0 %	-	-	-	-	-
OR Project Services	%	£10m	-	-	-	-	-	-	-	-	-	99.0 %	99.0 %
OR Service Centre - Assurance Ethernet	%	£0m	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£15m	-	-	-	-	-	0.1 %	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£9m	-	-	-	-	-	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	25.54	3.46	3.46	-	-	-	-	-	-	-	-	-
Local Loop Unbundling Systems development	%	£1m	-	-	-	-	-	0.0 %	-	-	-	-	-
Routeing & Records	£/line	2.84	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Assurance Internal	%	£0m	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Provision External	%	£10m	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£14m	-	-	-	-	-	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,938.97	-	-	-	-	-	-	-	-	-	-	-
PIMR Costs	%	£580m	37.31	37.31	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£44m	1.62	1.50	0.4 %	0.4 %	-	0.1 %	0.4 %	0.4 %	80.7 %	80.7 %	0.5 %
Rounding			(0.01)	(0.01)	-	-	-	0.1 %	-	-	-	-	-
Fully Allocated Cost (£ or %)			67.73	67.44	100.0 %	100.0 %		100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
	Volume (units)		508	81	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)
	Fully Allocated Cost (£m)		0.0	0.0	0.6	0.4	-	0.2	0.1	0.0	0.0	0.0	0.1

Section 8 – Review of Business Connectivity Markets

Technical Areas (Non-Dark Fibre) Inter Exchange Summary

For the year ended 31 March 2020

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Service											
Ethernet 1G bit and below											
EAD 1 Gbit rentals	14.8	5.7	20.5	7,718	2,928	ccts	1,914.13	1,932.91	5.1	1.9	7.0
Other EAD Rentals	1.0	0.7	1.7	592	400	ccts	1,699.50	1,697.48	0.3	0.2	0.5
EAD LA Rentals	0.1	0.0	0.1	104	32	ccts	1,510.91	1,442.44	0.0	0.0	0.0
Other Rentals	2.2	3.5	5.7	(ux)	(ux)	(ux)	(sx)	(sx)	5.5	6.9	12.4
EAD 1 G Mainlink	22.5	9.9	32.4	126,419	54,623	km	177.77	179.99	14.6	6.3	20.9
EAD 1 G Connections	0.2	0.3	0.5	130	146	ccts	1,869.75	1,869.26	0.1	0.1	0.2
Other Connections	0.1	0.1	0.2	(ux)	(ux)	(ux)	(sx)	(sx)	0.0	0.0	0.0
	40.9	20.2	61.1						25.6	15.4	41.0
Ethernet above 1 G bit											
EAD Rentals	2.4	2.2	4.6	529	438	ccts	4,421.35	4,973.76	1.1	0.9	2.0
EAD LA Rentals	-	0.0	0.0	-	3	ccts	-	2,073.00	-	0.0	0.0
Other Rentals	48.2	18.2	66.4	(ux)	(ux)	(ux)	(sx)	(sx)	31.7	10.7	42.4
EAD mainlink	0.9	0.8	1.7	4,643	4,660	km	180.00	180.00	0.5	0.5	1.0
Connections	8.6	4.4	13.0	(ux)	(ux)	(ux)	(sx)	(sx)	2.6	1.2	3.8
Other	5.5	5.9	11.4	24,064	27,610	fibre km	224.02	213.41	2.6	3.2	5.8
	65.6	31.5	97.1						38.5	16.5	55.0
ECC Basket	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-
Accommodation basket	-	2.4	2.4	(ux)	(ux)	(ux)	(sx)	(sx)	-	2.7	2.7
TRC Basket	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-
Exempt Ancillary Services	0.4	0.4	0.8	(ux)	(ux)	(ux)	(sx)	(sx)	0.0	0.0	0.0
Other - Project services	1.3	0.1	1.4	(ux)	(ux)	(ux)	(sx)	(sx)	1.1	0.1	1.2
Inter IFRS 15	(3.0)	(2.8)	(5.8)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.2)	(0.4)	(0.6)
Inter SLG	(1.2)	(0.8)	(2.0)	(ux)	(ux)	(ux)	(sx)	(sx)	(1.2)	(0.8)	(2.0)
Rounding	0.2	0.2	0.4						0.2	0.2	0.4
Total Ethernet Basket	104.2	51.2	155.4						64.0	33.7	97.7
Adjustment for internal	(12.8)	(6.9)	(19.7)						(12.8)	(6.9)	(19.7)
Total Ethernet Basket (excluding internal)	91.4	44.3	135.7						51.2	26.8	78.0

Section 8 – Review of Business Connectivity Markets

Technical Areas (Non-Dark Fibre) Inter Exchange calculation of FAC based on component costs and usage factors

For the year ended 31 March 2020

	Average cost per unit (from Appendix 1.1)	EAD 1 Gbit rentals - Ethernet 1G bit and below		Other EAD Rentals - Ethernet 1G bit and below		EAD LA Rentals - Ethernet 1G bit and below		Other Rentals - Ethernet 1G bit and below		EAD 1 G Mainlink - Ethernet 1G bit and below		EAD 1 G Connections - Ethernet 1G bit and below		
		Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal £	External £	Internal £	External £	
Fully Allocated Cost (£ or %)														
Components	Unit (a)													
Backhaul Extension Services Fibre	£/le	1,412.66	-	-	-	-	-	-	-	-	-	-	-	
Cumulo Rates Non NGA – Openreach	%	£157m	2.68	2.68	2.64	2.64	2.66	2.66	2.9 %	2.7 %	18.37	18.01	0.12	0.12
EAD Electronics Capital	£/circuit	434.80	944.52	944.52	869.60	869.60	907.04	890.69	-	-	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,060.65	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Active	£/circuit	5,207.12	-	-	-	-	-	-	70.0 %	68.1 %	-	-	-	-
Ethernet Backhaul Direct extended reach	£/circuit	172.24	-	-	-	-	-	-	-	2.3 %	-	-	-	-
Ethernet Backhaul Direct – passive	£/circuit	1,728.64	-	-	-	-	-	-	16.9 %	13.8 %	-	-	-	-
Ethernet Backhaul Direct resilience – active	£/circuit	219.94	-	-	-	-	-	-	-	2.9 %	-	-	-	-
Ethernet Backhaul Direct – resilience – passive	£/circuit	102.74	-	-	-	-	-	-	-	0.8 %	-	-	-	-
Ethernet Electronics Current	£/le	93.08	186.16	186.16	186.16	186.16	186.16	186.16	0.2 %	0.5 %	-	-	-	-
Ethernet Excess Construction Capex	%	£67m	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet main links	£/fibre km	34.58	-	-	-	-	-	-	-	-	51.93	51.93	-	-
Ethernet Monitoring Platform	£/circuit	193.42	69.74	69.74	69.74	69.74	69.74	69.74	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£3m	2.26	2.29	2.02	2.02	1.79	1.71	-	-	0.21	0.22	2.22	2.22
Openreach sales product management	%	£14m	20.36	20.55	18.07	18.04	16.07	15.35	0.1 %	0.1 %	1.89	1.92	19.88	19.87
Optical Ethernet Electronics Capital	£/circuit	1,439.62	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre – Provision WLA	%	£17m	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre – Assurance WLA	%	£16m	-	-	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£8m	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre – Assurance Ethernet	%	£0m	0.00	0.00	0.00	0.00	0.00	0.00	0.0 %	0.0 %	-	-	-	-
OR Service Centre – Provision Ethernet	%	£6m	-	-	-	-	-	-	-	-	-	-	177.34	177.34
OR Systems & Development – Ethernet	£/le	24.64	49.28	49.28	49.28	49.28	49.28	49.28	0.4 %	0.4 %	6.62	6.62	49.28	49.28
Co-mingling power & vent	%	£68m	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	1,616.07	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	29.79	-	-	-	-	-	-	-	-	-	-	-	-
Local Loop Unbundling systems development	%	£0m	-	-	-	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	3.02	-	-	-	-	-	-	-	-	-	-	6.04	6.04
SLG Ethernet Assurance External	%	£0m	-	1.10	-	0.98	-	0.82	-	-	-	-	-	-
SLG Ethernet Assurance Internal	%	£0m	1.02	-	0.90	-	0.80	-	-	-	-	-	-	-
SLG Ethernet Provision External	%	£15m	-	-	-	-	-	-	-	-	-	-	-	816.12
SLG Ethernet Provision Internal	%	£19m	-	-	-	-	-	-	-	-	-	-	1,010.92	-
Wholesale Extension Services Fibre	£/le	1,772.24	-	-	-	-	-	-	-	-	-	-	-	-
PIMR Costs	%	£603m	-	-	-	-	-	-	9.3 %	8.0 %	102.54	102.54	-	-
Revenue Receivables	%	£43m	23.41	23.64	20.78	20.76	18.48	17.64	0.3 %	0.3 %	2.17	2.20	19.92	19.91
Rounding			(0.02)	(0.02)	-	(0.02)	(0.01)	-	(0.1)%	0.1 %	0.01	(0.01)	(0.01)	-
Fully Allocated Cost (£ or %)			1,299.41	1,299.94	1,219.19	1,219.20	1,252.01	1,234.05	100.0 %	100.0 %	183.74	183.43	1,285.71	1,090.90
	Volume (units)		7,718	2,928	592	400	104	32	(ux)	(ux)	126,419	54,623	130	146
	Fully Allocated Cost (£m)		5.1	1.9	0.3	0.2	0.0	0.0	5.5	6.9	14.6	6.3	0.1	0.1

Section 8 – Review of Business Connectivity Markets

Technical Areas (Non-Dark Fibre) Inter Exchange calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2020

	Average cost per unit (from Appendix 1.1)	Other Connections - Ethernet 1G bit and below		EAD Rentals - Ethernet above 1 G bit		EAD LA Rentals - Ethernet above 1 G bit		Other Rentals - Ethernet above 1 G bit		EAD mainlink - Ethernet above 1 G bit		
		Internal %	External %	Internal £	External £	Internal £	External £	Internal %	External %	Internal £	External £	
Fully Allocated Cost (£ or %)												
Components	Unit (a)											
Backhaul Extension Services Fibre	£/le	1,412.66	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA – Openreach	%	£157m	0.0%	0.0%	3.46	3.46	-	1.73	2.3%	1.8%	18.01	18.01
EAD Electronics Capital	£/circuit	434.80	-	-	3,217.62	3,217.62	-	1,608.81	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,060.65	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Active	£/circuit	5,207.12	-	-	-	-	-	-	60.3%	48.8%	-	-
Ethernet Backhaul Direct extended reach	£/circuit	172.24	-	-	-	-	-	-	-	1.6%	-	-
Ethernet Backhaul Direct - passive	£/circuit	1,728.64	-	-	-	-	-	-	12.3%	8.4%	-	-
Ethernet Backhaul Direct resilience - active	£/circuit	219.94	-	-	-	-	-	-	-	2.1%	-	-
Ethernet Backhaul Direct - resilience - passive	£/circuit	102.74	-	-	-	-	-	-	-	0.5%	-	-
Ethernet Electronics Current	£/le	93.08	-	-	186.16	186.16	-	93.08	0.3%	0.6%	-	-
Ethernet Excess Construction Capex	%	£67m	-	-	-	-	-	-	-	-	-	-
Ethernet main links	£/fibre km	34.58	-	-	-	-	-	-	-	-	51.93	51.93
Ethernet Monitoring Platform	£/circuit	193.42	-	-	541.44	541.44	-	270.72	0.7%	1.3%	-	-
Ofcom Administration Fee Openreach	%	£3m	0.2%	0.2%	5.24	5.89	-	2.46	0.1%	0.1%	0.22	0.22
Openreach sales product management	%	£14m	1.2%	1.3%	47.01	52.88	-	22.02	0.3%	0.5%	1.92	1.92
Optical Ethernet Electronics Capital	£/circuit	1,439.62	-	-	-	-	-	-	15.4%	27.7%	-	-
OR Service Centre - Provision WLA	%	£17m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£16m	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£8m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance Ethernet	%	£0m	-	-	0.00	0.00	-	0.00	0.0%	0.0%	-	-
OR Service Centre - Provision Ethernet	%	£6m	12.6%	15.2%	-	-	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	24.64	3.5%	4.2%	49.28	49.28	-	24.64	0.5%	0.7%	6.62	6.62
Co-mingling power & vent	%	£68m	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	1,616.07	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	29.79	-	-	-	-	-	-	-	-	-	-
Local Loop Unbundling systems development	%	£0m	-	-	-	-	-	-	-	-	-	-
Routing & Records	£/line	3.02	0.4%	0.5%	-	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	2.84	-	1.18	-	0.0%	-	-
SLG Ethernet Assurance Internal	%	£0m	-	-	2.35	-	-	-	0.0%	-	-	-
SLG Ethernet Provision External	%	£15m	-	76.6%	-	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£19m	80.5%	-	-	-	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,772.24	-	-	-	-	-	-	-	-	-	-
PIMR Costs	%	£603m	-	-	-	-	-	-	6.8%	4.9%	102.54	102.54
Revenue Receivables	%	£43m	1.6%	1.9%	54.08	60.83	-	25.35	0.9%	1.0%	2.20	2.20
Rounding			-	0.1%	(0.02)	-	-	-	0.1%	-	(0.01)	(0.01)
Fully Allocated Cost (£ or %)			100.0%	100.0%	4,106.62	4,120.40	-	2,049.99	100.0%	100.0%	183.43	183.43
		Volume (units)	(ux)	(ux)	529	438	-	3	(ux)	(ux)	4,643	4,660
		Fully Allocated Cost (£m)	0.0	0.0	1.1	0.9	-	0.0	31.7	10.7	0.5	0.5

Section 8 – Review of Business Connectivity Markets

Technical Areas (Non-Dark Fibre) Inter Exchange calculation of FAC based on component costs and usage factors (continued)

For the year ended 31 March 2020

Components	Unit (a)	Average cost per unit (from Appendix 1.1)	Connections - Ethernet above 1 G bit		Other - Ethernet above 1 G bit		ECC Basket		Accommodation basket		TRC Basket		Exempt Ancillary Services		Other - Project services	
			Internal %	External %	Internal £	External £	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %
Fully Allocated Cost (£ or %)																
Backhaul Extension Services Fibre	£/le	1,412.66	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA – Openreach	%	£157m	0.0 %	0.0 %	18.19	18.01	-	-	-	2.7 %	-	-	0.0 %	0.0 %	0.1 %	0.1 %
EAD Electronics Capital	£/circuit	434.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,060.65	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Active	£/circuit	5,207.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct extended reach	£/circuit	172.24	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - passive	£/circuit	1,728.64	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct resilience - active	£/circuit	219.94	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - resilience - passive	£/circuit	102.74	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Electronics Current	£/le	93.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Excess Construction Capex	%	£67m	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet main links	£/fibre km	34.58	-	-	51.93	51.93	-	-	-	-	-	-	-	-	-	-
Ethernet Monitoring Platform	£/circuit	193.42	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£3m	0.2 %	0.2 %	0.27	0.26	-	-	-	0.0 %	-	-	9.4 %	9.4 %	0.1 %	0.1 %
Openreach sales product management	%	£14m	0.8 %	1.4 %	2.26	2.15	-	-	-	0.5 %	-	-	5.8 %	5.8 %	0.4 %	0.4 %
Optical Ethernet Electronics Capital	£/circuit	1,439.62	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision WLA	%	£17m	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£16m	-	-	-	-	-	-	-	0.6 %	-	-	-	-	-	-
OR Project Services	%	£8m	-	-	-	-	-	-	-	-	-	-	-	-	98.9 %	98.9 %
OR Service Centre - Assurance Ethernet	%	£0m	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£6m	5.1 %	9.0 %	-	-	-	-	-	-	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	24.64	1.4 %	2.5 %	6.62	6.62	-	-	-	-	-	-	-	-	-	-
Co-mingling power & vent	%	£68m	-	-	-	-	-	-	-	68.4 %	-	-	-	-	-	-
Co-mingling set up	£/room	1,616.07	-	-	-	-	-	-	-	14.8 %	-	-	-	-	-	-
Co-mingling rentals	£/hostel	29.79	-	-	-	-	-	-	-	12.4 %	-	-	-	-	-	-
Local Loop Unbundling systems development	%	£0m	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	3.02	0.2 %	0.3 %	-	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Assurance Internal	%	£0m	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Provision External	%	£15m	-	84.4 %	-	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£19m	90.4 %	-	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,772.24	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PIMR Costs	%	£603m	-	-	102.54	102.54	-	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£43m	1.8 %	2.1 %	2.74	2.61	-	-	-	0.5 %	-	-	84.8 %	84.8 %	0.6 %	0.6 %
Rounding			0.1 %	0.1 %	(0.01)	-	-	-	-	0.1 %	-	-	-	-	(0.1)%	(0.1)%
Fully Allocated Cost (£ or %)			100.0 %	100.0 %	184.54	184.12	-	-	-	100.0 %	-	-	100.0 %	100.0 %	100.0 %	100.0 %
		Volume (units)	(ux)	(ux)	24,064	27,610	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)
		Fully Allocated Cost (£m)	2.6	1.2	2.6	3.2	-	-	-	2.7	-	-	0.0	0.0	1.1	0.1

Section 8 – Review of Business Connectivity Markets

Technical Areas (Non-Dark Fibre) Inter Exchange Summary

Restated for the year ended 31 March 2019 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Service											
Ethernet 1 Gbit and below											
EAD 1 Gbit rentals	16.2	6.5	22.7	7,465	2,978	ccts	2,170.43	2,192.28	5.6	2.3	7.9
Other EAD Rentals	1.0	0.6	1.6	628	368	ccts	1,699.86	1,698.00	0.5	0.2	0.7
EAD LA Rentals	0.2	0.0	0.2	121	27	ccts	1,568.67	1,501.64	0.0	0.0	0.0
Other Rentals	2.5	4.3	6.8	(ux)	(ux)	(ux)	(sx)	(sx)	7.0	9.5	16.5
EAD 1 G Mainlink	22.0	10.1	32.1	123,420	56,032	km	177.71	179.99	14.8	6.9	21.7
EAD 1 G Connections	0.9	0.3	1.2	472	148	ccts	1,995.36	1,969.54	0.3	0.1	0.4
Other Connections	0.1	0.1	0.2	(ux)	(ux)	(ux)	(sx)	(sx)	0.0	0.0	0.0
	42.9	21.9	64.8						28.2	19.0	47.2
Ethernet above 1 G bit											
EAD Rentals	2.2	2.0	4.2	508	391	ccts	4,414.68	4,980.00	1.2	0.9	2.1
EAD LA Rentals	-	0.0	0.0	-	2	ccts	-	2,073.00	-	0.0	0.0
Other Rentals	38.9	17.0	55.9	(ux)	(ux)	(ux)	(sx)	(sx)	30.7	11.7	42.4
EAD mainlink	0.8	0.7	1.5	4,151	4,069	km	180.00	180.00	0.5	0.4	0.9
Connections	5.8	1.2	7.0	(ux)	(ux)	(ux)	(sx)	(sx)	1.8	0.4	2.2
Other	4.6	6.0	10.6	20,272	26,717	fibre km	222.20	227.68	2.4	3.3	5.7
	52.3	26.9	79.2						36.6	16.7	53.3
ECC Basket	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-
Accommodation basket	-	3.0	3.0	(ux)	(ux)	(ux)	(sx)	(sx)	-	2.7	2.7
TRC Basket	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-
Exempt Ancillary Services	0.2	0.1	0.3	(ux)	(ux)	(ux)	(sx)	(sx)	0.0	0.0	0.0
Other - Project services	1.1	0.3	1.4	(ux)	(ux)	(ux)	(sx)	(sx)	1.2	0.3	1.5
Inter IFRS 15	(0.3)	0.3	-	(ux)	(ux)	(ux)	(sx)	(sx)	(0.2)	(0.3)	(0.5)
Inter SLG	(0.8)	(0.2)	(1.0)	(ux)	(ux)	(ux)	(sx)	(sx)	(0.8)	(0.2)	(1.0)
Rounding	(0.2)	(0.1)	(0.3)						0.2	(0.1)	0.1
Total Ethernet Basket	95.2	52.2	147.4						65.2	38.1	103.3
Adjustment for internal	(13.3)	(7.7)	(21.0)						(13.3)	(7.7)	(21.0)
Total Ethernet Basket (excluding internal)	81.9	44.5	126.4						51.9	30.4	82.3

Section 8 – Review of Business Connectivity Markets

Technical Areas (Non-Dark Fibre) Inter Exchange calculation of FAC based on component costs and usage factors

Restated for the year ended 31 March 2019 (b)

	Average cost per unit (from Appendix 1.2)	EAD 1 Gbit rentals - Ethernet 1 Gbit and below		Other EAD Rentals - Ethernet 1 Gbit and below		EAD LA Rentals - Ethernet 1 Gbit and below		Other Rentals - Ethernet 1 Gbit and below		EAD 1 G Mainlink - Ethernet 1 Gbit and below		EAD 1 G Connections - Ethernet 1 Gbit and below		
		Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal £	External £	Internal £	External £	
Fully Allocated Cost (£ or %)														
Components	Unit (a)													
Backhaul Extension Services Fibre	£/le	5,624.36	-	-	-	-	-	-	-	-	-	-	-	
Cumulo Rates Non NGA – Openreach	%	£125m	2.28	2.28	2.24	2.24	2.26	2.25	2.4 %	2.2 %	17.07	17.07	0.18	0.18
EAD Electronics Capital	£/circuit	505.01	1,091.66	1,091.66	1,010.02	1,010.02	1,044.85	1,034.07	-	-	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,155.39	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Active	£/circuit	6,661.40	-	-	-	-	-	-	71.9 %	67.3 %	-	-	-	-
Ethernet Backhaul Direct extended reach	£/circuit	299.19	-	-	-	-	-	-	-	3.0 %	-	-	-	-
Ethernet Backhaul Direct - passive	£/circuit	2,011.20	-	-	-	-	-	-	15.6 %	12.5 %	-	-	-	-
Ethernet Backhaul Direct resilience - active	£/circuit	417.89	-	-	-	-	-	-	-	4.2 %	-	-	-	-
Ethernet Backhaul Direct - resilience - passive	£/circuit	197.88	-	-	-	-	-	-	-	1.2 %	-	-	-	-
Ethernet Electronics Current	£/le	92.36	184.72	184.72	184.72	184.72	184.72	184.72	0.2 %	0.6 %	-	-	-	-
Ethernet Excess Construction Capex	%	£73m	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet main links	£/fibre km	34.69	-	-	-	-	-	-	-	-	52.19	52.19	-	-
Ethernet Monitoring Platform	£/circuit	296.94	104.28	104.28	104.28	104.28	104.28	104.28	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£5m	3.76	3.80	2.94	2.94	2.72	2.60	0.0 %	0.0 %	0.30	0.32	3.45	3.41
Openreach sales product management	%	£15m	29.45	29.75	23.06	23.04	21.29	20.37	0.1 %	0.2 %	2.41	2.44	27.07	26.73
Optical Ethernet Electronics Capital	£/circuit	1,877.69	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision WLA	%	£20m	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£15m	-	-	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£10m	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance Ethernet	%	£0m	0.00	0.00	0.00	0.00	0.00	0.00	0.0 %	0.0 %	-	-	-	-
OR Service Centre - Provision Ethernet	%	£9m	-	-	-	-	-	-	-	-	-	-	324.40	324.40
OR Systems & Development - Ethernet	£/le	25.54	51.08	51.08	51.08	51.08	51.08	51.08	0.3 %	0.4 %	6.92	6.92	51.08	51.08
Co-mingling power & vent	%	£68m	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	1,339.62	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	34.82	-	-	-	-	-	-	-	-	-	-	-	-
Local Loop Unbundling systems development	%	£1m	-	-	-	-	-	-	-	-	-	-	-	-
Routeing & Records	£/line	2.84	-	-	-	-	-	-	-	-	-	-	5.68	5.68
SLG Ethernet Assurance External	%	£0m	-	1.74	-	1.34	-	1.19	-	0.0 %	-	-	-	-
SLG Ethernet Assurance Internal	%	£0m	1.60	-	1.24	-	1.15	-	0.0 %	-	-	-	-	-
SLG Ethernet Provision External	%	£10m	-	-	-	-	-	-	-	-	-	-	-	912.01
SLG Ethernet Provision Internal	%	£14m	-	-	-	-	-	-	-	-	-	-	1,115.93	-
Wholesale Extension Services Fibre	£/le	1,938.97	-	-	-	-	-	-	-	-	-	-	-	-
PIMR Costs	%	£580m	-	-	-	-	-	-	9.2 %	8.0 %	111.30	111.30	-	-
Revenue Receivables	%	£44m	26.55	26.81	20.79	20.76	19.18	18.37	0.2 %	0.3 %	2.17	2.20	21.25	20.98
Rounding			(0.03)	(0.03)	0.02	0.02	(0.01)	(0.01)	0.1 %	-	0.01	(0.01)	0.01	(0.02)
Fully Allocated Cost (£ or %)			1,495.35	1,496.09	1,400.39	1,400.44	1,431.52	1,418.92	100.0 %	100.0 %	192.37	192.43	1,549.05	1,344.45
	Volume (units)		7,465	2,978	628	368	121	27	(ux)	(ux)	123,420	56,032	472	148
	Fully Allocated Cost (£m)		5.6	2.3	0.5	0.2	0.0	0.0	7.0	9.5	14.8	6.9	0.3	0.1

Section 8 – Review of Business Connectivity Markets

Technical Areas (Non-Dark Fibre) Inter Exchange calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2019 (b)

		Average cost per unit (from Appendix 1.2)	Other Connections - Ethernet 1 Gbit and below		EAD Rentals - Ethernet above 1 Gbit		EAD LA Rentals - Ethernet above 1 Gbit		Other Rentals - Ethernet above 1 Gbit		EAD mainlink - Ethernet above 1 Gbit	
			Internal %	External %	Internal £	External £	Internal £	External £	Internal %	External %	Internal £	External £
Fully Allocated Cost (£ or %)												
Components	Unit (a)											
Backhaul Extension Services Fibre	£/le	5,624.36	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA – Openreach	%	£125m	0.0 %	0.0 %	3.08	3.08	-	1.54	1.8 %	1.5 %	17.07	17.07
EAD Electronics Capital	£/circuit	505.01	-	-	3,649.36	3,649.36	-	1,824.68	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,155.39	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Active	£/circuit	6,661.40	-	-	-	-	-	-	59.2 %	50.9 %	-	-
Ethernet Backhaul Direct extended reach	£/circuit	299.19	-	-	-	-	-	-	-	2.3 %	-	-
Ethernet Backhaul Direct - passive	£/circuit	2,011.20	-	-	-	-	-	-	11.3 %	7.9 %	-	-
Ethernet Backhaul Direct resilience - active	£/circuit	417.89	-	-	-	-	-	-	-	3.2 %	-	-
Ethernet Backhaul Direct - resilience - passive	£/circuit	197.88	-	-	-	-	-	-	-	0.8 %	-	-
Ethernet Electronics Current	£/le	92.36	-	-	184.72	184.72	-	92.36	0.2 %	0.5 %	-	-
Ethernet Excess Construction Capex	%	£73m	-	-	-	-	-	-	-	-	-	-
Ethernet main links	£/fibre km	34.69	-	-	-	-	-	-	-	-	52.19	52.19
Ethernet Monitoring Platform	£/circuit	296.94	-	-	670.60	670.60	-	335.30	1.3 %	1.8 %	-	-
Ofcom Administration Fee Openreach	%	£5m	0.2 %	0.2 %	7.64	8.62	-	3.59	0.1 %	0.1 %	0.32	0.32
Openreach sales product management	%	£15m	1.1 %	1.2 %	59.90	67.56	-	28.16	0.4 %	0.6 %	2.44	2.44
Optical Ethernet Electronics Capital	£/circuit	1,877.69	-	-	-	-	-	-	17.7 %	24.1 %	-	-
OR Service Centre - Provision WLA	%	£20m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£15m	-	-	-	-	-	-	-	-	-	-
OR Project Services	%	£10m	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance Ethernet	%	£0m	-	-	0.00	0.00	-	0.00	0.0 %	0.0 %	-	-
OR Service Centre - Provision Ethernet	%	£9m	23.3 %	25.8 %	-	-	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	25.54	3.7 %	4.1 %	51.08	51.08	-	25.54	0.5 %	0.5 %	6.92	6.92
Co-mingling power & vent	%	£68m	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	1,339.62	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	34.82	-	-	-	-	-	-	-	-	-	-
Local Loop Unbundling systems development	%	£1m	-	-	-	-	-	-	-	-	-	-
Routing & Records	£/line	2.84	0.4 %	0.5 %	-	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	3.94	-	1.64	-	0.1 %	-	-
SLG Ethernet Assurance Internal	%	£0m	-	-	3.24	-	-	-	0.0 %	-	-	-
SLG Ethernet Provision External	%	£10m	-	66.7 %	-	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£14m	69.9 %	-	-	-	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,938.97	-	-	-	-	-	-	-	-	-	-
PIMR Costs	%	£580m	-	-	-	-	-	-	6.6 %	5.0 %	111.30	111.30
Revenue Receivables	%	£44m	1.3 %	1.5 %	53.99	60.90	-	25.35	0.8 %	0.8 %	2.20	2.20
Rounding			0.1 %	-	0.01	0.02	-	0.01	0.1 %	(0.1)%	(0.01)	(0.01)
Fully Allocated Cost (£ or %)			100.0 %	100.0 %	4,683.62	4,699.88	-	2,338.17	100.0 %	100.0 %	192.43	192.43
		Volume (units)	(ux)	(ux)	508	391	-	2	(ux)	(ux)	4,151	4,069
		Fully Allocated Cost (£m)	0.0	0.0	1.2	0.9	-	0.0	30.7	11.7	0.5	0.4

Section 8 – Review of Business Connectivity Markets

Technical Areas (Non-Dark Fibre) Inter Exchange calculation of FAC based on component costs and usage factors (continued)

Restated for the year ended 31 March 2019 (b)

		Average cost per unit (from Appendix 1.2)	Connections - Ethernet above 1 Gbit		Other - Ethernet above 1 Gbit		ECC Basket		Accommodation basket		TRC Basket		Exempt Ancillary Services		Other - Project services	
Fully Allocated Cost (£ or %)			Internal %	External %	Internal £	External £	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %	Internal %	External %
Components	Unit (a)															
Backhaul Extension Services Fibre	£/le	5,624.36	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA – Openreach	%	£125m	0.0 %	0.0 %	17.07	17.07	-	-	-	2.0 %	-	-	0.0 %	0.0 %	0.0 %	0.0 %
EAD Electronics Capital	£/circuit	505.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Access Direct Fibre	£/circuit	1,155.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct Active	£/circuit	6,661.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct extended reach	£/circuit	299.19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - passive	£/circuit	2,011.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct resilience - active	£/circuit	417.89	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Backhaul Direct - resilience - passive	£/circuit	197.88	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Electronics Current	£/le	92.36	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Excess Construction Capex	%	£73m	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet main links	£/fibre km	34.69	-	-	52.19	52.19	-	-	-	-	-	-	-	-	-	-
Ethernet Monitoring Platform	£/circuit	296.94	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£5m	0.3 %	0.3 %	0.39	0.40	-	-	-	0.0 %	-	-	13.1 %	13.1 %	0.1 %	0.1 %
Openreach sales product management	%	£15m	0.7 %	1.6 %	3.18	3.26	-	-	-	0.6 %	-	-	6.2 %	6.2 %	0.4 %	0.4 %
Optical Ethernet Electronics Capital	£/circuit	1,877.69	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision WLA	%	£20m	-	-	-	-	-	-	-	0.0 %	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£15m	-	-	-	-	-	-	-	0.6 %	-	-	-	-	-	-
OR Project Services	%	£10m	-	-	-	-	-	-	-	-	-	-	-	-	99.0 %	99.0 %
OR Service Centre - Assurance Ethernet	%	£0m	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£9m	8.1 %	11.8 %	-	-	-	-	-	-	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	25.54	1.3 %	1.9 %	6.92	6.92	-	-	-	-	-	-	-	-	-	-
Co-mingling power & vent	%	£68m	-	-	-	-	-	-	-	68.4 %	-	-	-	-	-	-
Co-mingling set up	£/room	1,339.62	-	-	-	-	-	-	-	14.3 %	-	-	-	-	-	-
Co-mingling rentals	£/hostel	34.82	-	-	-	-	-	-	-	13.7 %	-	-	-	-	-	-
Local Loop Unbundling systems development	%	£1m	-	-	-	-	-	-	-	0.0 %	-	-	-	-	-	-
Routeing & Records	£/line	2.84	0.1 %	0.2 %	-	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Assurance External	%	£0m	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Assurance Internal	%	£0m	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Provision External	%	£10m	-	82.3 %	-	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Provision Internal	%	£14m	87.8 %	-	-	-	-	-	-	-	-	-	-	-	-	-
Wholesale Extension Services Fibre	£/le	1,938.97	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PIMR Costs	%	£580m	-	-	111.30	111.30	-	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£44m	1.7 %	1.9 %	2.72	2.78	-	-	-	0.6 %	-	-	80.7 %	80.7 %	0.5 %	0.5 %
Rounding			(0.0)%	-	(0.02)	(0.01)	-	-	-	(0.2)%	-	-	-	-	-	-
Fully Allocated Cost (£ or %)			100.0 %	100.0 %	193.75	193.91	-	-	-	100.0 %	-	-	100.0 %	100.0 %	100.0 %	100.0 %
	Volume (units)		(ux)	(ux)	20,272	26,717	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)
	Fully Allocated Cost (£m)		1.8	0.4	2.4	3.3	-	-	-	2.7	-	-	0.0	0.0	1.2	0.3

Section 8 – Review of Business Connectivity Markets

Technical Areas (Dark Fibre) Inter Exchange Summary

For the year ended 31 March 2020

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Service											
Ethernet 1G bit and below Sub-basket											
Dark Fibre Cessation Charges	-	-	-	-	-	ccts	-	-	-	-	-
Dark Fibre Connection	-	0.0	0.0	-	26	ccts	-	425.58	-	0.0	0.0
Dark Fibre Main Link	-	0.0	0.0	-	124	ccts	-	150.43	-	0.0	0.0
Dark Fibre Rentals	-	0.0	0.0	-	7	ccts	-	132.01	-	0.0	0.0
Dark Fibre Right when Tested	-	-	-	-	-	ccts	-	-	-	-	-
Dark Fibre TRCs	-	-	-	-	-	ccts	-	-	-	-	-
	-	-	-						-	-	-
ECC Basket	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-
Accommodation basket	-	0.0	0.0	(ux)	(ux)	(ux)	(sx)	(sx)	-	0.0	0.0
Exempt Ancillary Services	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-
Inter Dark Fibre SLG	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	(0.0)	-	(0.0)
Rounding	-	(0.0)	(0.0)						(0.0)	(0.0)	(0.0)
Total Ethernet Basket	-	0.0	0.0						(0.0)	0.0	-
Adjustment for internal	-	-	-						-	-	-
Total Ethernet Basket (excluding internal)	-	0.0	0.0						(0.0)	0.0	-

Section 8 – Review of Business Connectivity Markets

Technical Areas (Dark Fibre) Inter Exchange calculation of FAC based on component costs and usage factors

For the year ended 31 March 2020

	Average cost per unit (from Appendix 1.1)	Dark Fibre Cessation Charges		Dark Fibre Connection		Dark Fibre Main Link		Dark Fibre Rentals		Dark Fibre Right when Tested		Dark Fibre TRCs		ECC Basket		Accommodation basket		Exempt Ancillary Services		
		Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %	Internal %	External %	
Fully Allocated Cost (£ or %)																				
Components	Unit (a)																			
Routeing & Records	£/line	3.02	-	-	3.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet main links	£/fibre km	34.58	-	-	-	-	41.61	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	24.64	-	-	18.97	-	3.31	-	18.97	-	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	1,616.07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.0 %	-	-	-
Co-mingling rentals	£/hostel	29.79	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.5 %	-	-	-
OR Service Centre - Provision WLA	%	£17m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0 %	-	-	-
OR Service Centre - Assurance WLA	%	£16m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.6 %	-	-	-
Co-mingling power & vent	%	£68m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69.1 %	-	-	-
OR Service Centre - Provision Ethernet	%	£6m	-	-	88.67	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance Ethernet	%	£0m	-	-	-	-	-	0.00	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£3m	-	-	0.25	-	0.09	-	0.08	-	-	-	-	-	-	-	0.1 %	-	-	-
Openreach sales product management	%	£14m	-	-	0.14	-	0.05	-	0.03	-	-	-	-	-	-	-	0.4 %	-	-	-
Cumulo Rates Non NGA - Openreach	%	£157m	-	-	0.01	-	4.88	-	0.01	-	-	-	-	-	-	-	1.8 %	-	-	-
SLG Ethernet Provision External	%	£15m	-	-	92.90	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PIMR Costs	%	£603m	-	-	-	-	82.17	-	-	-	-	-	-	-	-	-	-	-	-	-
Dark Fibre Specific Rental costs	£/circuit	90.21	-	-	-	-	-	112.34	-	-	-	-	-	-	-	-	-	-	-	-
Dark Fibre Specific Connections costs	£/circuit	122.13	-	-	138.57	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£43m	-	-	2.27	-	0.92	-	0.81	-	-	-	-	-	-	-	0.6 %	-	-	-
Rounding			-	-	-	-	(0.01)	-	(0.01)	-	-	-	-	-	-	-	(0.1)%	-	-	-
Fully Allocated Cost (£ or %)			-	-	344.80	-	133.02	-	132.27	-	-	-	-	-	-	-	100.0 %	-	-	-
	Volume (units)		-	-	26	-	124	-	7	-	-	-	-	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)
	Fully Allocated Cost (£m)		-	-	0.0	-	0.0	-	0.0	-	-	-	-	-	-	-	0.0	-	-	-

Section 8 – Review of Business Connectivity Markets

Technical Areas (Dark Fibre) Inter Exchange Summary

Restated for the year ended 31 March 2019 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Service											
Ethernet 1G bit and below Sub-basket											
Dark Fibre Cessation Charges	-	-	-	-	-	ccts	-	-	-	-	-
Dark Fibre Connection	-	-	-	-	-	ccts	-	-	-	-	-
Dark Fibre Main Link	-	-	-	-	-	ccts	-	-	-	-	-
Dark Fibre Rentals	-	-	-	-	-	ccts	-	-	-	-	-
Dark Fibre Right when Tested	-	-	-	-	-	ccts	-	-	-	-	-
Dark Fibre TRCs	-	-	-	-	-	ccts	-	-	-	-	-
	-	-	-						-	-	-
ECC Basket	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-
Accommodation basket	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-
Exempt Ancillary Services	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-
Inter Dark Fibre SLG	-	-	-	(ux)	(ux)	(ux)	(sx)	(sx)	-	-	-
Rounding	-	-	-						-	-	-
Total Ethernet Basket	-	-	-						-	-	-
Adjustment for internal	-	-	-						-	-	-
Total Ethernet Basket (excluding internal)	-	-	-						-	-	-

Section 8 – Review of Business Connectivity Markets

Technical Areas (Dark Fibre) Inter Exchange calculation of FAC based on component costs and usage factors

Restated for the year ended 31 March 2019 (b)

	Average cost per unit (from Appendix 1.2)	Dark Fibre Cessation Charges		Dark Fibre Connection		Dark Fibre Main Link		Dark Fibre Rentals		Dark Fibre Right when Tested		Dark Fibre TRCs		ECC Basket		Accommodation basket		Exempt Ancillary Services		
		Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	
Fully Allocated Cost (£ or %)		£	£	£	£	£	£	£	£	£	£	£	£	£	%	%	%	%	%	%
Components	Unit (a)																			
Routeing & Records	£/line	2.84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet main links	£/fibre km	34.69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Systems & Development - Ethernet	£/le	25.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling set up	£/room	1,339.62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling rentals	£/hostel	34.82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision WLA	%	£20m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance WLA	%	£15m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-mingling power & vent	%	£68m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Provision Ethernet	%	£9m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OR Service Centre - Assurance Ethernet	%	£0m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ofcom Administration Fee Openreach	%	£5m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach sales product management	%	£15m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA - Openreach	%	£125m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SLG Ethernet Provision External	%	£10m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PIMR Costs	%	£580m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dark Fibre Specific Rental costs	£/circuit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dark Fibre Specific Connections costs	£/circuit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£44m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rounding			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fully Allocated Cost (£ or %)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Volume (units)		-	-	-	-	-	-	-	-	-	-	-	-	(ux)	(ux)	(ux)	(ux)	(ux)	(ux)
	Fully Allocated Cost (£m)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Section 9

Review of Narrowband Markets

Section 9 – Review of Narrowband Markets

WFAEL Summary

For the year ended 31 March 2020

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Service											
Analogue WLR Basic Rentals	975.0	214.7	1,189.7	10,547,800	2,322,213	lines	92.44	92.44	905.4	199.3	1,104.7
WLR Connections	14.9	7.2	22.1	476,455	218,239	conns	31.26	33.04	16.2	7.2	23.4
WLR Transfers	11.3	5.4	16.7	866,843	395,662	transfer	13.08	13.63	7.0	3.2	10.2
WLR Conversions	8.1	3.4	11.5	323,211	135,480	conns	25.04	25.04	11.3	4.8	16.1
Analogue Premium Rentals	85.6	127.6	213.2	751,184	1,119,663	lines	114.00	114.00	69.0	102.3	171.3
WLR Premium Connections	0.9	2.0	2.9	29,580	64,088	conns	31.22	31.22	0.9	2.0	2.9
WLR Premium Transfers	0.2	0.8	1.0	12,254	59,074	transfer	13.08	13.12	0.1	0.7	0.8
Caller Display	3.7	1.4	5.1	4,430,582	1,651,718	rentals	0.84	0.84	1.6	0.6	2.2
Time Related Charges	24.6	6.9	31.5	(ux)	(ux)	(ux)	(sx)	(sx)	28.1	7.9	36.0
Other WLR	63.2	17.9	81.1	(ux)	(ux)	(ux)	(sx)	(sx)	55.1	7.8	62.9
WFAEL SLG	(14.6)	(4.5)	(19.1)	(ux)	(ux)	(ux)	(sx)	(sx)	(15.2)	(4.7)	(19.9)
Rounding	0.1	(0.1)	-						0.1	(0.1)	-
Total WFAEL	1,173.0	382.7	1,555.7						1,079.6	331.0	1,410.6
Adjustment for internal	(192.6)	(58.7)	(251.3)						(192.6)	(58.7)	(251.3)
Total WFAEL (excluding internal)	980.4	324.0	1,304.4						887.0	272.3	1,159.3

Section 9 – Review of Narrowband Markets

WFAEL calculation of FAC based on component costs and usage factors

For the year ended 31 March 2020

	Average cost per unit (from Appendix 1.1)	Analogue WLR Basic Rentals		WLR Connections		WLR Transfers		WLR Conversions		Analogue Premium Rentals		WLR Premium Connections		WLR Premium Transfers		Caller Display		Time Related Charges		Other WLR		
		Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	
Fully Allocated Cost (£ or %)		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	%	%	%	%
Components	Unit (a)																					
Routing & Records	£/line	3.02	-	-	3.02	3.02	-	-	3.02	3.02	-	-	3.02	3.02	3.02	3.02	-	-	-	-	0.8%	1.4%
MDF Hardware jumpering	£/line	16.13	-	-	18.76	17.31	-	-	21.25	21.25	-	-	16.13	16.13	-	-	-	-	-	-	5.5%	9.6%
E side copper capital	£/line	4.28	4.28	4.28	-	-	-	-	-	-	4.28	4.28	-	-	-	-	-	-	-	-	-	-
E side copper current	£/line	3.60	2.99	2.99	-	-	-	-	-	-	3.62	3.62	-	-	-	-	-	-	-	-	6.5%	4.7%
D side copper capital	£/line	18.56	18.56	18.56	-	-	-	-	-	-	18.56	18.56	-	-	-	-	-	-	-	-	-	-
D side copper current	£/line	10.69	7.85	7.85	-	-	-	-	-	-	12.28	11.77	-	-	-	-	-	-	-	-	56.1%	28.0%
Local exchanges general frames equipment	£/line	1.20	1.20	1.20	-	-	-	-	-	-	1.20	1.20	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames maintenance	£/line	1.28	1.06	1.06	-	-	-	-	-	-	1.29	1.29	-	-	-	-	-	-	-	-	2.3%	1.7%
Analogue line test equipment	£/line	0.07	0.07	0.07	-	-	-	-	-	-	0.07	0.07	-	-	-	-	-	-	-	-	-	-
Dropwire capital & analogue NTE	£/line	16.13	16.13	16.13	-	-	-	-	-	-	16.13	16.13	-	-	-	-	-	-	-	-	-	-
Analogue line drop maintenance	£/line	2.77	2.30	2.30	-	-	-	-	-	-	2.78	2.78	-	-	-	-	-	-	-	-	5.0%	3.6%
Abortive Visits	£/trans	62.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.4%	32.2%
Analogue line cards	£/line	7.39	7.39	7.39	-	-	-	-	-	-	7.39	7.39	-	-	-	-	-	-	-	-	-	-
Pair gain	£/line	0.00	0.00	0.00	-	-	-	-	-	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-
Combi Card and MSAN Access - Voice	£/line	0.00	0.00	0.00	-	-	-	-	-	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-
Expedite Provision Costs	£/line	93.12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.9%	2.2%
SLG WLR Provision Internal	%	£8m	-	-	6.97	-	2.92	-	5.58	-	-	-	6.96	-	2.92	-	-	-	-	-	0.4%	-
SLG WLR Assurance Internal	%	£6m	0.50	-	-	-	-	-	-	-	0.62	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA - Openreach	%	£157m	4.58	4.58	0.01	0.01	0.00	0.00	0.01	0.01	4.58	4.58	0.01	0.01	0.00	0.00	0.01	0.01	0.1%	0.1%	0.5%	0.4%
Local Loop Unbundling systems development	%	£0m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iNode features	%	£1m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.2%	0.7%
Openreach time related charges	%	£63m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	99.1%	99.1%	-	-
OR Project Services	%	£8m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.3%	0.8%
Caller Display	%	£2m	-	-	-	-	-	-	-	-	-	-	-	-	-	0.34	0.34	-	-	-	-	-
Network Features	%	£6m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.4%	6.0%
Ofcom Administration Fee Openreach	%	£3m	0.05	0.05	0.02	0.02	0.01	0.01	0.01	0.01	0.07	0.07	0.02	0.02	0.01	0.01	0.00	0.00	0.1%	0.1%	0.1%	0.1%
Openreach sales product management	%	£14m	0.08	0.08	0.03	0.03	0.01	0.01	0.02	0.02	0.10	0.10	0.03	0.03	0.01	0.01	0.00	0.00	0.3%	0.3%	0.4%	0.7%
OR Service Centre - Provision Analogue/ISDN2	%	£15m	-	-	5.05	5.05	5.05	5.05	5.05	5.05	-	-	5.05	5.05	5.05	5.05	-	-	-	-	2.5%	5.9%
OR Service Centre - Assurance Analogue/ISDN2	%	£18m	1.18	1.18	-	-	-	-	-	-	1.18	1.18	-	-	-	-	-	-	-	-	-	-
SLG WLR Provision External	%	£4m	-	-	-	7.37	-	3.04	-	5.58	-	-	6.96	-	2.93	-	-	-	-	-	-	0.6%
SLG WLR Assurance External	%	£2m	-	0.50	-	-	-	-	-	-	-	0.62	-	-	-	-	-	-	-	-	-	-
PIMR Costs	%	£603m	17.05	17.05	-	-	-	-	-	-	17.05	17.05	-	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£43m	0.57	0.57	0.17	0.18	0.07	0.07	0.13	0.13	0.70	0.70	0.17	0.17	0.07	0.07	0.01	0.01	0.5%	0.5%	0.7%	1.4%
Rounding		-	-	-	-	-	-	-	0.02	0.02	(0.01)	(0.01)	-	-	-	-	-	-	(0.1)%	(0.1)%	-	-
Fully Allocated Cost (£ or %)		85.84	85.84	34.03	32.99	8.06	8.18	35.09	35.09	91.89	91.38	31.39	31.39	11.08	11.09	0.36	0.36	100.0%	100.0%	100.0%	100.0%	
	Volume (units)	10,547,800	2,322,213	476,455	218,239	866,843	395,662	323,211	135,480	751,184	1,119,663	29,580	64,088	12,254	59,074	4,430,582	1,651,718	(ux)	(ux)	(ux)	(ux)	
	Fully Allocated Cost (£m)	905.4	199.3	16.2	7.2	7.0	3.2	11.3	4.8	69.0	102.3	0.9	2.0	0.1	0.7	1.6	0.6	28.1	7.9	55.1	7.8	

Section 9 – Review of Narrowband Markets

WFAEL Summary

Restated for the year ended 31 March 2019 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m
Service											
Analogue WLR Basic Rentals	974.3	193.1	1,167.4	10,748,653	2,130,085	lines	90.64	90.66	917.5	181.8	1,099.3
WLR Connections	15.7	6.2	21.9	466,568	179,740	conns	33.63	34.41	14.9	5.4	20.3
WLR Transfers	15.8	4.8	20.6	1,355,542	408,764	transfer	11.68	11.80	9.8	3.0	12.8
WLR Conversions	9.6	4.2	13.8	339,704	151,726	conns	28.17	27.84	11.1	4.9	16.0
Analogue Premium Rentals	116.0	135.8	251.8	1,017,577	1,191,430	lines	114.00	114.00	92.7	108.0	200.7
WLR Premium Connections	1.2	2.3	3.5	41,497	76,356	conns	29.34	30.15	1.2	2.1	3.3
WLR Premium Transfers	0.4	0.7	1.1	29,537	59,549	transfer	11.87	11.10	0.3	0.6	0.9
Caller Display	3.2	0.8	4.0	3,693,650	881,867	rentals	0.87	0.88	1.8	0.4	2.2
Time Related Charges	25.7	7.6	33.3	(ux)	(ux)	(ux)	(sx)	(sx)	29.9	8.8	38.7
Other WLR	91.6	18.3	109.9	(ux)	(ux)	(ux)	(sx)	(sx)	72.2	6.2	78.4
WFAEL SLG	(10.0)	(4.0)	(14.0)	(ux)	(ux)	(ux)	(sx)	(sx)	(10.1)	(4.0)	(14.1)
Rounding	(0.1)	-	(0.1)						(0.1)	-	(0.1)
Total WFAEL	1,243.4	369.8	1,613.2						1,141.2	317.2	1,458.4
Adjustment for internal	(191.1)	(53.9)	(245.0)						(191.1)	(53.9)	(245.0)
Total WFAEL (excluding internal)	1,052.3	315.9	1,368.2						950.1	263.3	1,213.4

Section 9 – Review of Narrowband Markets

WFAEL calculation of FAC based on component costs and usage factors

Restated for the year ended 31 March 2019 (b)

	Average cost per unit (from Appendix 1.2)	Analogue WLR Basic Rentals		WLR Connections		WLR Transfers		WLR Conversions		Analogue Premium Rentals		WLR Premium Connections		WLR Premium Transfers		Caller Display		Time Related Charges		Other WLR		
		Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	Internal	External	
Fully Allocated Cost (£ or %)		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	%	%	%	%
Components	Unit (a)																					
Routing & Records	£/line	2.84	-	-	2.84	2.84	-	-	2.84	2.84	-	-	2.84	2.84	2.84	2.84	-	-	-	-	0.8%	1.1%
MDF Hardware jumpering	£/line	14.78	-	-	17.81	15.85	-	-	19.47	19.47	-	-	14.78	14.78	-	-	-	-	-	-	5.4%	7.2%
E side copper capital	£/line	3.48	3.48	3.48	-	-	-	-	-	-	3.48	3.48	-	-	-	-	-	-	-	-	-	-
E side copper current	£/line	3.60	2.99	2.99	-	-	-	-	-	-	3.61	3.61	-	-	-	-	-	-	-	-	8.2%	5.1%
D side copper capital	£/line	22.06	22.06	22.06	-	-	-	-	-	-	22.06	22.06	-	-	-	-	-	-	-	-	-	-
D side copper current	£/line	10.25	7.29	7.29	-	-	-	-	-	-	11.56	11.09	-	-	-	-	-	-	-	-	58.0%	29.7%
Local exchanges general frames equipment	£/line	1.11	1.11	1.11	-	-	-	-	-	-	1.11	1.11	-	-	-	-	-	-	-	-	-	-
Local exchanges general frames maintenance	£/line	1.24	1.03	1.03	-	-	-	-	-	-	1.24	1.24	-	-	-	-	-	-	-	-	2.8%	1.8%
Analogue line test equipment	£/line	0.11	0.11	0.11	-	-	-	-	-	-	0.11	0.11	-	-	-	-	-	-	-	-	-	-
Dropwire capital & analogue NTE	£/line	15.99	15.99	15.99	-	-	-	-	-	-	15.99	15.99	-	-	-	-	-	-	-	-	-	-
Analogue line drop maintenance	£/line	2.16	1.79	1.79	-	-	-	-	-	-	2.17	2.17	-	-	-	-	-	-	-	-	4.9%	3.1%
Abortive Visits	£/trans	49.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.1%	29.5%
Analogue line cards	£/line	7.70	7.70	7.70	-	-	-	-	-	-	7.70	7.70	-	-	-	-	-	-	-	-	-	-
Pair gain	£/line	0.00	0.00	0.00	-	-	-	-	-	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-
Combi Card and MSAN Access - Voice	£/line	0.00	0.00	0.00	-	-	-	-	-	-	0.00	0.00	-	-	-	-	-	-	-	-	-	-
Expedite Provision Costs	£/line	96.61	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.8%	2.5%
SLG WLR Provision Internal	%	£8m	-	-	5.75	-	2.00	-	4.82	-	-	-	5.02	-	2.03	-	-	-	-	-	0.3%	-
SLG WLR Assurance Internal	%	£4m	0.28	-	-	-	-	-	-	-	0.35	-	-	-	-	-	-	-	-	-	-	-
Cumulo Rates Non NGA - Openreach	%	£125m	3.52	3.52	0.01	0.01	0.00	0.00	0.01	0.01	3.52	3.52	0.01	0.01	0.00	0.00	0.01	0.01	0.0%	0.0%	0.3%	0.3%
Local Loop Unbundling systems development	%	£1m	-	-	0.02	0.01	-	-	0.04	0.04	-	-	-	-	-	-	-	-	-	-	0.0%	0.0%
iNode features	%	£1m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.2%	1.1%
Openreach time related charges	%	£72m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	99.0%	99.0%	-	-
OR Project Services	%	£10m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5%	1.9%
Caller Display	%	£2m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.47	0.47	-	-	-	-
Network Features	%	£5m	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6.9%	6.2%
Ofcom Administration Fee Openreach	%	£5m	0.08	0.08	0.03	0.03	0.01	0.01	0.02	0.02	0.10	0.10	0.03	0.03	0.01	0.01	0.00	0.00	0.1%	0.1%	0.1%	0.3%
Openreach sales product management	%	£15m	0.09	0.09	0.03	0.03	0.01	0.01	0.03	0.03	0.11	0.11	0.03	0.03	0.01	0.01	0.00	0.00	0.4%	0.4%	0.5%	1.2%
OR Service Centre - Provision Analogue/ISDN2	%	£18m	-	-	5.16	5.16	5.16	5.16	5.16	5.16	-	-	5.16	5.16	5.16	5.16	-	-	-	-	2.3%	7.1%
OR Service Centre - Assurance Analogue/ISDN2	%	£17m	1.05	1.05	-	-	-	-	-	-	1.05	1.05	-	-	-	-	-	-	-	-	-	-
SLG WLR Provision External	%	£3m	-	-	-	5.80	-	1.99	-	4.69	-	-	5.08	-	1.87	-	-	-	-	-	-	0.3%
SLG WLR Assurance External	%	£1m	-	0.28	-	-	-	-	-	-	-	0.35	-	-	-	-	-	-	-	-	-	-
PIMR Costs	%	£580m	16.24	16.24	-	-	-	-	-	-	16.24	16.24	-	-	-	-	-	-	-	-	-	-
Revenue Receivables	%	£44m	0.55	0.55	0.18	0.18	0.06	0.06	0.15	0.15	0.70	0.70	0.16	0.16	0.06	0.06	0.01	0.01	0.5%	0.5%	0.8%	1.8%
Rounding		-	-	-	-	0.01	0.01	0.01	-	-	0.01	0.01	(0.01)	-	0.01	0.01	0.01	0.01	-	-	0.1%	(0.2)%
Fully Allocated Cost (£ or %)		85.36	85.36	31.83	29.92	7.25	7.24	32.54	32.41	91.11	90.64	28.02	28.09	10.12	9.96	0.50	0.50	100.0%	100.0%	100.0%	100.0%	
Volume (units)		10,748,653	2,130,085	466,568	179,740	1,355,542	408,764	339,704	151,726	1,017,577	1,191,430	41,497	76,356	29,537	59,549	3,693,650	881,867	(ux)	(ux)	(ux)	(ux)	
Fully Allocated Cost (£m)		917.5	181.8	14.9	5.4	9.8	3.0	11.1	4.9	92.7	108.0	1.2	2.1	0.3	0.6	1.8	0.4	29.9	8.8	72.2	6.2	

Section 9 – Review of Narrowband Markets

ISDN2 Summary

For the year ended 31 March 2020

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £
Service								
ISDN2 Rentals *	20.6	32.6	53.2	194,572	308,127	channels	105.96	105.96
ISDN2 Transfers *	0.0	0.1	0.1	310	15,697	channels	4.50	5.11
Other ISDN2 **	4.0	6.9	10.9	(ux)	(ux)	(ux)	(sx)	(sx)
ISDN2 SLG	(0.1)	(0.2)	(0.3)	(ux)	(ux)	(ux)	(sx)	(sx)
Rounding	-	-	-					
Total ISDN2	24.5	39.4	63.9					

* Ordered before 30 November 2018

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

ISDN2 Summary

Restated for the year ended 31 March 2019 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £
Service								
ISDN2 Rentals *	28.2	43.8	72.0	265,785	412,914	channels	105.95	105.96
ISDN2 Transfers *	0.0	0.2	0.2	57	21,783	channels	4.50	7.04
Other ISDN2 **	4.4	3.5	7.9	(ux)	(ux)	(ux)	(sx)	(sx)
ISDN2 SLG	(0.1)	(0.2)	(0.3)	(ux)	(ux)	(ux)	(sx)	(sx)
Rounding	(0.3)	(0.1)	(0.4)					
Total ISDN2	32.2	47.2	79.4					

* Ordered before 30 November 2018

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

Section 9 – Review of Narrowband Markets

ISDN30 Summary

For the year ended 31 March 2020

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £
Service								
ISDN30 Rentals *	45.8	48.9	94.7	386,101	411,297	channels	118.56	118.85
ISDN30 Channel Connections *	0.2	0.0	0.2	47,414	2,220	channels	3.50	3.50
ISDN30 SML 3 and 4 *	1.7	2.8	4.5	91,292	154,276	rentals	18.56	18.46
ISDN30 Transfers *	0.0	0.1	0.1	1,054	20,081	channels	5.03	6.30
ISDN30 DDI Rentals *	1.3	2.6	3.9	1,291,449	2,496,389	rentals	1.04	1.04
ISDN30 SLG	(0.5)	(0.3)	(0.8)	(ux)	(ux)	(ux)	(sx)	(sx)
Other ISDN30 **	1.6	10.5	12.1	(ux)	(ux)	(ux)	(sx)	(sx)
Rounding	-	-	-					
Total ISDN30	50.1	64.6	114.7					

* Ordered before 30 November 2018

** Including all ISDN30 services ordered after 30 November 2018

ISDN30 Summary

Restated for the year ended 31 March 2019 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £
Service								
ISDN30 Rentals *	55.4	67.0	122.4	467,482	563,963	channels	118.56	118.82
ISDN30 Channel Connections *	0.1	0.0	0.1	21,715	11,303	channels	3.50	3.50
ISDN30 SML 3 and 4 *	2.0	3.8	5.8	107,383	206,103	rentals	18.74	18.45
ISDN30 Transfers *	0.0	0.2	0.2	222	37,496	channels	3.31	5.25
ISDN30 DDI Rentals *	1.7	3.6	5.3	1,604,628	3,414,051	rentals	1.04	1.04
ISDN30 SLG	(0.2)	(0.3)	(0.5)	(ux)	(ux)	(ux)	(sx)	(sx)
Other ISDN30 **	0.8	1.5	2.3	(ux)	(ux)	(ux)	(sx)	(sx)
Rounding	-	(0.1)	(0.1)					
Total ISDN30	59.8	75.7	135.5					

* Ordered before 30 November 2018

** Including all ISDN30 services ordered after 30 November 2018

Section 9 – Review of Narrowband Markets

Fixed Geographic Call Termination Summary

For the year ended 31 March 2020

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal NCC traffic mm	External NCC traffic mm	Internal Average NCC rates ppm	External Average NCC rates ppm
Service							
Wholesale fixed geographical call termination local exchange	2.7	5.3	8.0	8,979	17,197	0.0307	0.0307
Total Fixed Geographic Call Termination	2.7	5.3	8.0				

Fixed Geographic Call Termination Summary

Restated for the year ended 31 March 2019 (b)

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

Section 9 – Review of Narrowband Markets

Technical Areas (DLE Interconnect Circuits) Summary

For the year ended 31 March 2020

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Internal Average Price £	External Average Price £	Internal FAC £m	External FAC £m	Total FAC £m
Service											
Wholesale IEC Connections	-	0.0	0.0	-	46	ccts	-	1,063.92	-	0.0	0.0
Wholesale IEC Rentals - fixed	-	1.8	1.8	-	2,684	ccts	-	664.92	-	0.7	0.7
Wholesale IEC Rentals - per km	-	1.3	1.3	-	57,152	km	-	22.80	-	2.0	2.0
Wholesale Intra-Building Circuits Connections	-	0.4	0.4	-	427	ccts	-	885.50	-	0.0	0.0
Wholesale Intra-Building Circuit Rentals	-	1.5	1.5	-	13,227	ccts	-	110.52	-	1.1	1.1
Wholesale Rearrangements	-	0.2	0.2	-	320	ccts	-	500.00	-	0.9	0.9
Rounding	-	(0.1)	(0.1)						-	0.1	0.1
Total Technical Areas (DLE Interconnect Circuits)	-	5.1	5.1						-	4.8	4.8

Section 9 – Review of Narrowband Markets

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

For the year ended 31 March 2020

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.1)	In Span Interconnect with Interconnect Extension Circuit (end to end circuit)			In span Interconnect		Wholesale Rearrangements	
		Wholesale IEC Connections	Wholesale IEC Rentals - fixed	Wholesale IEC Rentals - per km	Wholesale Intra-Building Circuit Connections	Wholesale Intra-Building Circuit Rentals		
		External £	External £	External £	External £	External £	External £	
Components	Unit (a)							
Interconnect 2Mbps connection	£/circuit	3,393.07	1,026.30	-	-	-	2,877.13	
Interconnect extension circuits (IEC) 2Mbps link	£/circuit	179.35	-	179.35	-	-	-	
Interconnect Extension Circuits (IEC) 2Mbps per km	£/km	29.83	-	-	29.83	-	-	
Intra Building Circuit (IBC) connection	£/circuit	4.81	4.81	-	-	4.81	-	
Intra Building Circuit (IBC) rental	£/circuit	76.62	-	76.62	-	-	76.62	
Cumulo Rates Non NGA - Non Openreach	%	£29m	0.66	12.60	2.08	0.00	3.54	
Ofcom Administration Fee Wholesale	%	£1m	0.55	0.34	0.01	0.45	0.06	
PIMR Costs	%	£603m	-	-	3.73	-	-	
Revenue Receivables	%	£43m	6.51	4.07	0.14	5.41	0.68	
Rounding			(0.01)	-	(0.01)	0.01	(0.01)	
Fully Allocated Cost (£ or %)			1,038.82	272.98	35.78	10.68	80.89	2,882.30
	Volume (units)		46	2,684	57,152	427	13,227	320
	Fully Allocated Cost (£m)		0.0	0.7	2.0	0.0	1.1	0.9

Section 9 – Review of Narrowband Markets

Technical Areas (DLE Interconnect Circuits) Summary

Restated for the year ended 31 March 2019 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Internal Average Price £	External Average Price £	Internal FAC £m	External FAC £m	Total FAC £m
Service											
Wholesale IEC Connections	-	0.1	0.1	-	106	ccts	-	1,054.85	-	0.1	0.1
Wholesale IEC Rentals - fixed	-	2.0	2.0	-	3,082	ccts	-	658.56	-	0.7	0.7
Wholesale IEC Rentals - per km	-	1.4	1.4	-	63,594	km	-	22.80	-	1.8	1.8
Wholesale Intra-Building Circuits Connections	-	0.6	0.6	-	643	ccts	-	877.95	-	0.0	0.0
Wholesale Intra-Building Circuit Rentals	-	1.5	1.5	-	13,440	ccts	-	109.44	-	1.2	1.2
Wholesale Rearrangements	-	0.1	0.1	-	279	ccts	-	495.58	-	0.9	0.9
Rounding	-	0.1	0.1						-	-	-
Total Technical Areas (DLE Interconnect Circuits)	-	5.8	5.8						-	4.7	4.7

Section 9 – Review of Narrowband Markets

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

Restated for the year ended 31 March 2019 (b)

Fully Allocated Cost (£ or %)	Average cost per unit (from Appendix 1.2)	In Span Interconnect with Interconnect Extension Circuit (end to end circuit)			In span Interconnect		Wholesale Rearrangements		
		Wholesale IEC Connections	Wholesale IEC Rentals – fixed	Wholesale IEC Rentals – per km	Wholesale Intra-Building Circuit Connections	Wholesale Intra-Building Circuit Rentals			
		External £	External £	External £	External £	External £	External £		
Components	Unit (a)								
Interconnect 2Mbps connection	£/circuit	6,382.55	1,121.12	-	-	-	3,142.36		
Interconnect extension circuits (IEC) 2Mbps link	£/circuit	143.04	-	143.04	-	-	-		
Interconnect Extension Circuits (IEC) 2Mbps per km	£/km	23.80	-	-	23.80	-	-		
Intra Building Circuit (IBC) connection	£/circuit	1.95	1.95	-	-	1.95	-		
Intra Building Circuit (IBC) rental	£/circuit	84.91	-	84.91	-	-	84.91		
Cumulo Rates Non NGA - Non Openreach	%	£23m	0.53	7.98	1.26	0.00	2.52		
Ofcom Administration Fee Wholesale	%	£2m	0.77	0.48	0.02	0.64	0.08		
PIMR Costs	%	£580m	-	-	2.73	-	-		
Revenue Receivables	%	£44m	6.45	4.03	0.14	5.37	0.67		
Rounding			-	-	(0.01)	-	(0.01)		
Fully Allocated Cost (£ or %)			1,130.82	240.44	27.94	7.96	88.17	3,147.24	
			Volume (units)	106	3,082	63,594	643	13,440	279
			Fully Allocated Cost (£m)	0.1	0.7	1.8	0.0	1.2	0.9

Section 10

Review of Wholesale Broadband Access Markets

Section 10 – Review of Wholesale Broadband Access Markets

WBA (Market A) Summary

For the year ended 31 March 2020

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m	Internal EOI £m	External EOI £m
IPstream Connect Max and Max Premium End User Access - Rental	0.4	0.0	0.4	6,012	17	rentals	58.90	64.60	8.9	0.0	8.9	3.6	0.0
WBC Connections	1.3	0.0	1.3	27,504	58	conns	47.33	46.56	1.1	0.0	1.1	1.1	0.0
WBC End User Access - Rental	22.9	0.1	23.0	196,734	637	rentals	116.20	100.75	14.0	0.0	14.0	8.4	0.0
WBC Bandwidth	97.1	0.2	97.3	2,427,039	5,435	bandwidth	40.00	40.00	5.7	0.0	5.7	1.7	0.0
WBC Ancillary Charges & other	0.6	0.0	0.6	(ux)	(ux)	(ux)	(sx)	(sx)	0.2	0.0	0.2	0.2	0.0
Other WBA (Market A)*	4.0	0.8	4.8	(ux)	(ux)	(ux)	(sx)	(sx)	17.3	0.1	17.4	0.7	0.0
Total WBA (Market A) (including EOI and Internal)	126.3	1.1	127.4						47.2	0.1	47.3	15.7	0.0
Adjustment for EOI and Internal Rounding	(13.5)	(0.0)	(13.5)						(13.5)	(0.0)	(13.5)		
	(0.2)	-	(0.2)						-	-	-		
Total WBA (Market A) (adjusted for EOI and Internal)	112.6	1.1	113.7						33.7	0.1	33.8		

Notes:

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

Section 10 – Review of Wholesale Broadband Access Markets

WBA (Market A) EOI

For the year ended 31 March 2020

EOI Charge (£ or %)	Average EOI Input per unit	IPstream Connect Max and Max Premium End User Access - Rental		WBC Connections		WBC End User Access - Rental		WBC Bandwidth		WBC Ancillary Charges & other		EOI Other Services*	
		Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %
Part Service Description	Unit (a)												
SMPF New Provides Costs - Internal EOI Charges	conns	22.51	-	12.23	13.20	-	-	-	-	-	-	20.8%	-
SMPF Single Migrations Costs - Internal EOI Charges	migrations	25.04	-	-	-	-	-	-	-	12.9%	29.7%	9.9%	9.8%
SMPF Rentals Costs - Internal EOI Charges	rentals	6.12	6.23	-	-	3.74	4.58	-	-	-	-	9.1%	27.0%
Other LLU ancillaries basket Costs - Internal EOI Charges	ancillaries	53.56	-	-	-	-	-	-	-	43.9%	38.9%	21.2%	21.0%
SMPF Bulk Migrations Costs - Internal EOI Charges	migrations	18.29	-	-	-	-	-	-	-	0.0%	0.1%	0.0%	0.0%
MPF Hard Ceases Costs - Internal EOI Charges	ceases	18.48	-	-	-	-	-	-	-	-	-	0.0%	0.1%
SMPF Hard Ceases Costs - Internal EOI Charges	ceases	13.96	-	-	-	-	-	-	-	-	-	2.1%	2.4%
Other Tie-cables and Comingling Costs - Internal EOI Charges	%	24.39	267.79	267.79	-	2.29	2.81	-	-	-	-	-	-
GEA FTTC rentals (all other speeds except 40/10) - Internal EOI Charges	rentals	77.39	-	-	-	22.54	14.90	-	-	-	-	-	-
GEA FTTC 40/10 Rentals - Internal EOI Charges	rentals	60.13	-	-	-	4.95	3.27	-	-	-	-	-	-
GEA Other Rentals (all other speeds except 40/10) - Internal EOI Charges	rentals	164.36	-	-	-	3.28	2.17	-	-	-	-	-	-
GEA Other 40/10 Rentals - Internal EOI Charges	rentals	132.54	-	-	-	0.36	0.24	-	-	-	-	-	-
MPF Cancellation of orders - Internal EOI Charges	ancillaries	5.82	-	-	-	-	-	-	-	0.1%	0.1%	0.1%	0.1%
GEA Other FTTC PCP Only Install Connections - Internal EOI Charges	conns	45.92	-	10.56	9.57	-	-	-	-	-	-	-	-
GEA FTTC 40/10 PCP Only Install Connections - Internal EOI Charges	conns	45.92	-	7.85	7.11	-	-	-	-	-	-	-	-
GEA FTTC connections - Internal EOI Charges	conns	97.30	-	2.18	1.98	-	-	-	-	-	-	-	-
GEA FTTP connections - Internal EOI Charges	conns	77.25	-	5.13	4.65	-	-	-	-	-	-	-	-
GEA FTTC 40/10 Connections - Internal EOI Charges	conns	98.99	-	1.01	0.91	-	-	-	-	-	-	-	-
GEA Other FTTC Start of a Stopped Line Connections - Internal EOI Charges	conns	2.99	-	0.09	0.08	-	-	-	-	-	-	-	-
GEA 40/10 FTTP Other Connections - Internal EOI Charges	conns	52.35	-	0.30	0.27	-	-	-	-	-	-	-	-
GEA FTTC 40/10 Start of a Stopped Line Connections - Internal EOI Charges	conns	2.99	-	0.06	0.06	-	-	-	-	-	-	-	-
GEA FTTP 40/10 Conns Voice and Data - Internal EOI Charges	conns	94.10	-	0.56	0.51	-	-	-	-	-	-	-	-
GEA CP to CP Migration Costs - Internal EOI Charges	migrations	2.99	-	-	-	-	-	-	-	43.1%	31.3%	-	-
G Fast Rentals - Internal EOI Charges	%	110.23	-	-	-	0.30	0.20	-	-	-	-	-	-
G Fast Connections - Internal EOI Charges	%	38.63	-	1.03	0.93	-	-	-	-	-	-	-	-
EBD ONBS Rentals - Internal EOI Charges (BT Only)	rentals	3,011.03	-	-	-	-	-	0.01	0.01	-	-	-	-
EBD ONBS >1Gbps Rentals - Internal EOI Charges (BT Only)	rentals	11,173.26	-	-	-	-	-	0.08	0.09	-	-	-	-
EBD ONBS Connection - Internal EOI Charges (BT Only)	Conns	2,975.00	-	-	-	-	-	0.00	0.00	-	-	-	-
EBD ONBS >1Gbps Connections - Internal EOI Charges (BT Only)	Conns	7,305.11	-	-	-	-	-	0.01	0.01	-	-	-	-
EBD ONBS Rentals - Internal EOI Charges (BT+1)	rentals	2,788.30	-	-	-	-	-	0.00	0.00	-	-	-	-
EBD ONBS >1Gbps Rentals - Internal EOI Charges (BT+1)	rentals	10,099.15	-	-	-	-	-	0.07	0.08	-	-	-	-
EBD ONBS Connection - Internal EOI Charges (BT+1)	Conns	2,362.50	-	-	-	-	-	0.00	0.00	-	-	-	-
EBD ONBS >1Gbps Connections - Internal EOI Charges (BT+1)	Conns	7,200.00	-	-	-	-	-	0.01	0.02	-	-	-	-
Subtotal		274.02	274.02	41.00	39.27	37.46	28.17	0.18	0.21	100.0%	100.1%	63.2%	60.4%

Section 10 – Review of Wholesale Broadband Access Markets

WBA (Market A) EOI (continued)

For the year ended 31 March 2020

EOI Charge (£ or %)	Average EOI Input per unit	IPstream Connect Max and Max Premium End User Access – Rental		WBC Connections		WBC End User Access – Rental		WBC Bandwidth		WBC Ancillary Charges & other		EOI Other Services*	
		Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %
Part Service Description	Unit (a)												
EBD ONBS Rentals - Internal EOI Charges (BT+2 or more)	rentals	2,659.78	-	-	-	-	-	0.00	0.00	-	-	-	-
EBD ONBS >1Gbps Rentals - Internal EOI Charges (BT+2 or more)	rentals	9,841.16	-	-	-	-	-	0.08	0.08	-	-	-	-
EBD ONBS Connection - Internal EOI Charges (BT+2 or more)	Conns	-	-	-	-	-	-	-	-	-	-	-	-
EBD ONBS >1Gbps Connections - Internal EOI Charges (BT+2 or more)	Conns	7,200.00	-	-	-	-	-	0.01	0.01	-	-	-	-
Special Faults Investigation - Internal EOI Charges	ancillaries	94.03	1.45	1.45	-	-	0.87	1.07	-	-	-	13.1%	13.7%
Tie Cables Costs - Internal EOI Charges	ancillaries	33.39	321.03	321.03	-	-	2.24	2.74	-	-	-	-	-
21CN Backhaul EAD - Internal EOI Charges	ccts	5,252.27	-	-	-	-	-	0.40	0.32	-	-	-	-
WLA Time Related Charges Costs - Internal EOI Charges	ancillaries	78.09	1.33	-	-	-	0.86	0.61	-	-	-	1.3%	-
SMPF Expedites - Internal EOI Charges	ancillaries	90.33	-	-	-	-	-	-	-	-	-	1.3%	1.1%
NGA Expedites - Internal EOI Charges	ancillaries	100.10	-	-	-	-	-	-	-	-	-	1.0%	0.8%
SMPF Enhanced Care - Internal EOI Charges	ancillaries	37.83	-	-	-	-	-	-	-	-	-	14.1%	22.5%
NGA Enhanced Care - Internal EOI Charges	ancillaries	40.19	-	-	-	-	-	-	-	-	-	1.7%	1.5%
NGA Visit Assure EOI - Internal EOI Charges	ancillaries	130.00	-	-	-	-	1.44	0.95	-	-	-	-	-
Copper Broadband Boost - Internal EOI Charges	ancillaries	151.89	-	-	-	-	-	-	-	-	-	4.3%	-
Roundings		-	-	-	-	-	(0.01)	0.02	0.01	-	(0.1)%	-	-
EOI cost (£) or %		597.83	596.50	40.98	39.27	42.85	33.53	0.69	0.63	100.0%	100.0%	100.0%	100.0%
	Volumes	6,012	17	27,504	58	196,734	637	2,427,039	5,435	(ux)	(ux)	(ux)	(ux)
	Unit	Rentals	Rentals	Conns	Conns	Rentals	Rentals	Bandwidth	Bandwidth	0.0	0.0	0.0	0.0
	Total EOI Cost (£m)	3.6	0.0	1.1	0.0	8.4	0.0	1.7	0.0	0.2	0.0	0.7	0.0

Notes:

* Included in EOI Other Services are the following services where EOI is below £1m: IPstream Connect Contracted Bandwidth per Mbps per node rental, IPstream Connect End User Re-grade, IPstream Connect End User Migration, IPstream Connect ADSL Cancellation, Other IPstream Connect Market, Cease Basket

Section 10 – Review of Wholesale Broadband Access Markets

WBA (Market A) Summary

Restated for the year ended 31 March 2019 (b)

Detailed service analysis	Internal Revenue £m	External Revenue £m	Total Revenue £m	Internal Volume	External Volume	Measure	Average Internal Price £	Average External Price £	Internal FAC £m	External FAC £m	Total FAC £m	Internal EOI £m	External EOI £m
IPstream Connect Max and Max Premium End User Access - Rental	1.0	0.2	1.2	16,331	3,278	rentals	58.85	63.48	9.3	1.9	11.2	1.3	0.3
WBC Connections	1.4	0.0	1.4	29,654	67	conns	46.31	45.35	1.2	0.0	1.2	1.2	0.0
WBC End User Access - Rental	19.6	0.1	19.7	186,457	609	rentals	105.25	95.79	14.1	0.0	14.1	7.1	0.0
WBC Bandwidth	71.4	0.2	71.6	1,786,200	4,204	bandwidth	40.00	40.00	5.2	0.0	5.2	1.6	0.0
WBC Ancillary Charges & other	0.6	0.2	0.8	(ux)	(ux)	(ux)	(sx)	(sx)	1.2	0.2	1.4	1.2	0.2
Other WBA (Market A)*	5.1	2.6	7.7	(ux)	(ux)	(ux)	(sx)	(sx)	22.7	3.8	26.5	0.9	0.0
Total WBA (Market A) (including EOI and Internal)	99.1	3.3	102.4						53.7	5.9	59.6	13.3	0.5
Adjustment for EOI and Internal Rounding	(9.7)	0.1	(9.6)						(9.7)	0.1	(9.6)		
	(0.2)	(0.1)	(0.3)						(0.1)	0.1	-		
Total WBA (Market A) (adjusted for EOI and Internal)	89.2	3.3	92.5						43.9	6.1	50.0		

Notes:

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

Section 10 – Review of Wholesale Broadband Access Markets

WBA (Market A) EOI

Restated for the year ended 31 March 2019 (b)

EOI Charge (£ or %)	Average EOI Input per unit	IPstream Connect Max and Max Premium End User Access - Rental		WBC Connections		WBC End User Access - Rental		WBC Bandwidth		WBC Ancillary Charges & other		EOI Other Services*	
		Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %
Part Service Description	Unit (a)												
SMPF New Provides Costs - Internal EOI Charges	conns	22.04	-	13.56	14.80	-	-	-	-	-	-	25.6%	25.9%
SMPF Single Migrations Costs - Internal EOI Charges	migrations	25.36	-	-	-	-	-	-	-	1.0%	9.6%	5.4%	7.1%
SMPF Rentals Costs - Internal EOI Charges	rentals	4.53	4.55	-	-	3.14	3.53	-	-	-	-	5.0%	4.8%
Other LLU ancillaries basket Costs - Internal EOI Charges	ancillaries	35.42	-	-	-	-	-	-	-	41.4%	65.8%	22.8%	19.9%
SMPF Bulk Migrations Costs - Internal EOI Charges	migrations	19.46	-	-	-	-	-	-	-	0.4%	4.4%	2.5%	3.3%
MPF Hard Ceases Costs - Internal EOI Charges	ceases	21.06	-	-	-	-	-	-	-	-	-	0.2%	0.3%
SMPF Hard Ceases Costs - Internal EOI Charges	ceases	17.61	-	-	-	-	-	-	-	-	-	1.7%	2.2%
Other Tie-cables and Comingling Costs - Internal EOI Charges	%	20.77	29.70	-	-	1.77	1.99	-	-	-	-	-	-
GEA FTTC rentals (all other speeds except 40/10) - Internal EOI Charges	rentals	92.48	-	-	-	21.90	15.93	-	-	-	-	-	-
GEA FTTC 40/10 Rentals - Internal EOI Charges	rentals	69.06	-	-	-	4.19	3.05	-	-	-	-	-	-
GEA Other Rentals (all other speeds except 40/10) - Internal EOI Charges	rentals	141.41	-	-	-	1.95	1.42	-	-	-	-	-	-
GEA Other 40/10 Rentals - Internal EOI Charges	rentals	154.81	-	-	-	0.13	0.10	-	-	-	-	-	-
MPF Cancellation of orders - Internal EOI Charges	ancillaries	7.26	-	-	-	-	-	-	-	1.2%	1.9%	0.7%	0.6%
GEA Other FTTC PCP Only Install Connections - Internal EOI Charges	conns	46.96	-	11.83	10.10	-	-	-	-	-	-	-	-
GEA FTTC 40/10 PCP Only Install Connections - Internal EOI Charges	conns	46.96	-	6.01	5.13	-	-	-	-	-	-	-	-
GEA FTTC connections - Internal EOI Charges	conns	96.93	-	2.98	2.54	-	-	-	-	-	-	-	-
GEA FTTP connections - Internal EOI Charges	conns	92.00	-	3.42	2.92	-	-	-	-	-	-	-	-
GEA FTTC 40/10 Connections - Internal EOI Charges	conns	99.00	-	0.78	0.67	-	-	-	-	-	-	-	-
GEA Other FTTC Start of a Stopped Line Connections - Internal EOI Charges	conns	4.63	-	0.12	0.10	-	-	-	-	-	-	-	-
GEA 40/10 FTTP Other Connections - Internal EOI Charges	conns	92.00	-	0.24	0.20	-	-	-	-	-	-	-	-
GEA FTTC 40/10 Start of a Stopped Line Connections - Internal EOI Charges	conns	4.63	-	0.06	0.05	-	-	-	-	-	-	-	-
GEA FTTP 40/10 Conns Voice and Data - Internal EOI Charges	conns	92.00	-	0.42	0.36	-	-	-	-	-	-	-	-
GEA CP to CP Migration Costs - Internal EOI Charges	migrations	4.63	-	-	-	-	-	-	-	56.0%	18.3%	-	-
G Fast Rentals - Internal EOI Charges	%	115.55	-	-	-	0.04	0.03	-	-	-	-	-	-
G Fast Connections - Internal EOI Charges	%	96.65	-	0.32	0.28	-	-	-	-	-	-	-	-
EBD ONBS Rentals - Internal - Inter - BT Only	rentals	2,967.38	-	-	-	-	-	0.01	0.01	-	-	-	-
EBD ONBS >1Gbps Rentals - Internal - Inter - BT Only	rentals	11,187.84	-	-	-	-	-	0.09	0.10	-	-	-	-
EBD ONBS Connection - Internal - Inter - BT Only	Conns	2,672.73	-	-	-	-	-	0.00	0.00	-	-	-	-
EBD ONBS >1Gbps Connections - Internal - Inter - BT Only	Conns	7,217.58	-	-	-	-	-	0.02	0.02	-	-	-	-
EBD ONBS Rentals - Internal - Inter - BT+1	rentals	2,776.98	-	-	-	-	-	0.00	0.00	-	-	-	-
EBD ONBS >1Gbps Rentals - Internal - Inter - BT+1	rentals	10,096.77	-	-	-	-	-	0.08	0.09	-	-	-	-
EBD ONBS Connection - Internal - Inter - BT+1	Conns	2,100.00	-	-	-	-	-	0.00	0.00	-	-	-	-
EBD ONBS >1Gbps Connections - Internal - Inter - BT+1	Conns	7,221.64	-	-	-	-	-	0.01	0.02	-	-	-	-
Subtotal				39.74	37.15	33.12	26.05	0.21	0.24	100.0%	100.0%	63.9%	64.1%

Section 10 – Review of Wholesale Broadband Access Markets

WBA (Market A) EOI (continued)

Restated for the year ended 31 March 2019 (b)

EOI Charge (£ or %)	Average EOI Input per unit	IPstream Connect Max and Max Premium End User Access - Rental		WBC Connections		WBC End User Access - Rental		WBC Bandwidth		WBC Ancillary Charges & other		EOI Other Services*		
		Internal £	External £	Internal £	External £	Internal £	External £	Internal £	External £	Internal %	External %	Internal %	External %	
Part Service Description	Unit (a)													
EBD ONBS Rentals - Internal - Inter - BT+2 or more	rentals	2,651.62	-	-	-	-	-	0.00	0.00	-	-	-	-	
EBD ONBS >1Gbps Rentals - Internal - Inter - BT+2 or more	rentals	9,834.67	-	-	-	-	-	0.08	0.09	-	-	-	-	
EBD ONBS Connection - Internal - Inter - BT+2 or more	Conns	2,800.00	-	-	-	-	-	0.00	-	-	-	-	-	
EBD ONBS >1Gbps Connections - Internal - Inter - BT+2 or more	Conns	7,240.15	-	-	-	-	-	0.02	0.02	-	-	-	-	
Special Faults Investigation - Internal EOI Charges	ancillaries	103.48	1.64	1.64	-	-	1.13	1.27	-	-	-	13.5%	25.8%	
Tie Cables Costs - Internal EOI Charges	ancillaries	33.06	41.02	41.02	-	-	1.98	2.23	-	-	-	-	-	
21CN Backhaul EAD - Internal EOI Charges	ccts	5,467.97	-	-	-	-	-	0.60	0.47	-	-	-	-	
WLA Time Related Charges Costs - Internal EOI Charges	ancillaries	83.77	1.50	0.87	-	-	1.08	0.82	-	-	-	0.9%	0.9%	
SMPF Expedites - Internal EOI Charges	ancillaries	79.78	-	-	-	-	-	-	-	-	-	1.4%	0.6%	
NGA Expedites - Internal EOI Charges	ancillaries	110.67	-	-	-	-	-	-	-	-	-	0.9%	0.0%	
SMPF Enhanced Care - Internal EOI Charges	ancillaries	36.53	-	-	-	-	-	-	-	-	-	11.6%	8.5%	
NGA Enhanced Care - Internal EOI Charges	ancillaries	40.20	-	-	-	-	-	-	-	-	-	1.0%	0.1%	
NGA Visit Assure EOI - Internal EOI Charges	ancillaries	130.00	-	-	-	-	0.81	0.59	-	-	-	-	-	
Copper Broadband Boost - Internal EOI Charges	ancillaries	143.13	-	-	-	-	-	-	-	-	-	6.7%	-	
Roundings		-	-	-	-	-	0.02	(0.01)	0.01	(0.01)	-	-	0.1%	-
EOI cost (£) or %		78.41	77.78	39.74	37.15	38.14	30.95	0.92	0.81	100.0%	100.0%	100.0%	100.0%	
	Volumes	16,331	3,278	29,654	67	186,457	609	1,786,200	4,204	(ux)	(ux)	(ux)	(ux)	
	Unit	Rentals	Rentals	Conns	Conns	Rentals	Rentals	Bandwidth	Bandwidth	0.0	0.0	0.0	0.0	
	Total EOI Cost (£m)	1.3	0.3	1.2	0.0	7.1	0.0	1.6	0.0	1.2	0.2	0.9	0.0	

* Included in EOI Other Services are the following services where EOI is below £1m: IPstream Connect Contracted Bandwidth per Mbps per node rental, IPstream Connect End User Re-grade, IPstream Connect End User Migration, IPstream Connect ADSL Cancellation, Other IPstream Connect Market, Cease Basket

Appendix 1

Network Activity Statements

Appendix 1 – Network Activity Statements

Appendix 1.1 Network Activity Statements Consolidated

For the year ended 31 March 2020

Fully Allocated Cost (£m)	HCA operating cost	Supplementary depreciation	Holding (gain)/loss and other CCA adjustments	Roundings	Total CCA operating costs	CCA mean capital employed	Applicable rate of return on capital %	Capital costs	Total of operating costs and capital costs relating to current year	Volume (ii)	Units	Average costs per min/unit on a current cost basis relating to current year
Revenue Receivables	-	-	-	-	-	471.2	9.0%	43.3	43.3	(i)	-	(i)
MPF line testing systems	11.9	0.5	(1.1)	-	11.3	30.2	8.1%	2.4	13.7	9,692,087	lines	1.42
EVOTAM testing systems	10.4	0.4	(1.0)	-	9.8	26.3	8.1%	2.1	11.9	2,816,170	km	4.25
PC rentals 2Mbps regional trunk	5.0	0.4	(0.3)	-	5.1	9.7	9.3%	0.9	6.0	162,453	km	36.96
PC rental 2Mbps link national trunk	4.1	0.3	(0.2)	-	4.2	7.3	9.3%	0.7	4.9	(i)	-	(i)
Openreach time related charges	62.7	-	-	-	62.7	5.9	9.3%	0.6	63.3	(i)	-	(i)
Co-mingling set up	15.8	0.5	(0.7)	-	15.6	65.5	8.1%	5.3	20.9	12,933	rooms	1,616.07
Co-mingling rentals	14.5	0.1	(0.1)	-	14.5	37.9	8.1%	3.1	17.6	588,666	hostels	29.79
WLA tie cables	21.1	1.3	(3.3)	(0.1)	19.0	47.1	8.1%	3.8	22.8	1,228,315	cables	18.58
Local Loop Unbundling systems development	-	-	-	-	-	-	8.1%	-	-	(i)	-	(i)
Routeing & Records	26.1	-	-	-	26.1	0.6	8.1%	0.1	26.2	8,645,388	lines	3.02
MDF Hardware jumpering	105.3	-	-	-	105.3	2.7	8.1%	0.2	105.5	6,540,221	lines	16.13
E side copper capital	86.9	16.0	(41.5)	-	61.4	553.7	8.1%	44.8	106.2	24,828,639	lines	4.28
E side copper current	88.9	-	-	-	88.9	2.3	8.1%	0.2	89.1	24,709,615	lines	3.60
D side copper capital	259.5	72.6	(19.9)	(0.1)	312.1	1,835.4	8.1%	148.7	460.8	24,828,639	lines	18.56
D side copper current	263.6	-	-	-	263.6	7.4	8.1%	0.6	264.2	24,709,615	lines	10.69
Local exchanges general frames equipment	42.1	-	-	-	42.1	41.7	8.1%	3.4	45.5	37,818,001	lines	1.20
Local exchanges general frames maintenance	31.5	-	-	-	31.5	1.0	8.1%	0.1	31.6	24,709,567	lines	1.28
Analogue line test equipment	1.5	-	-	-	1.5	2.6	8.1%	0.2	1.7	24,810,276	lines	0.07
Dropwire capital & analogue NTE	307.8	39.3	(37.2)	(0.1)	309.8	1,106.7	8.1%	89.6	399.4	24,758,728	lines	16.13
Analogue line drop maintenance	65.4	-	-	-	65.4	2.4	8.1%	0.2	65.6	23,679,181	lines	2.77
Analogue line cards	96.3	(0.0)	0.4	(0.1)	96.6	151.6	8.1%	12.3	108.9	14,740,860	lines	7.39
Pair Gain	0.0	-	-	-	0.0	0.0	8.1%	0.0	0.0	14,740,860	lines	-
FTTC Development	9.2	-	-	-	9.2	20.3	9.3%	1.9	11.1	(i)	-	(i)
Optical Ethernet Electronics Capital	25.2	-	-	-	25.2	60.3	9.3%	5.6	30.8	21,390	circuits	1,439.62
OR Service Centre - Provision Analogue/ISDN2	14.8	-	-	-	14.8	3.2	8.1%	0.3	15.1	(i)	-	(i)
OR Service Centre - Provision WLA	16.5	-	-	-	16.5	2.4	8.1%	0.2	16.7	(i)	-	(i)
OR Service Centre - Provision Ethernet	5.8	-	-	-	5.8	(0.1)	8.0%	(0.0)	5.8	(i)	-	(i)
OR Service Centre - Provision GEA	38.4	-	-	-	38.4	0.5	9.3%	0.0	38.4	(i)	-	(i)
OR Service Centre - Assurance Analogue/ISDN2	17.8	-	-	-	17.8	3.0	8.1%	0.2	18.0	(i)	-	(i)
OR Service Centre - Assurance WLA	15.7	-	-	-	15.7	2.3	8.1%	0.2	15.9	(i)	-	(i)
OR Service Centre - Assurance Ethernet	0.0	-	-	-	0.0	0.0	8.0%	0.0	0.0	(i)	-	(i)
SLG WLA External	24.5	-	-	-	24.5	3.3	8.1%	0.3	24.8	(i)	-	(i)
Ethernet Backhaul Direct extended reach	0.3	0.0	(0.0)	-	0.3	1.0	8.0%	0.1	0.4	2,439	circuits	172.24
Ethernet Backhaul Direct - active	38.2	0.5	(0.6)	-	38.1	99.5	8.0%	8.0	46.1	8,843	circuits	5,207.12
Ethernet Backhaul Direct - passive	6.5	0.4	(0.3)	-	6.6	17.9	8.0%	1.4	8.0	4,624	circuits	1,728.64
Ethernet Backhaul Direct Resilience - active	0.4	0.0	(0.0)	-	0.4	1.3	8.0%	0.1	0.5	2,439	circuits	219.94
Ethernet Backhaul Direct - resilience - passive	0.1	0.0	(0.0)	-	0.1	0.4	8.0%	0.0	0.1	1,317	circuits	102.74
Combi Card - Broadband	34.4	0.6	(0.7)	(0.1)	34.2	68.7	9.3%	6.4	40.6	(i)	-	(i)
iNode features	0.7	0.0	(0.0)	-	0.7	0.4	9.3%	0.0	0.7	(i)	-	(i)
Core/Metro (broadband)	36.1	0.1	(0.2)	-	36.0	113.3	9.3%	10.5	46.5	178,697,571	circuits	0.26
Core Directors - Broadband	0.4	0.0	(0.0)	-	0.4	1.2	9.3%	0.1	0.5	67,614	bandwidth	7.49
Edge Ethernet ports broadband	0.3	0.0	(0.0)	-	0.3	0.9	9.3%	0.1	0.4	163,828,598	bandwidth	0.00
Metro BRAS and MSE	89.7	0.3	(0.4)	-	89.6	279.0	9.3%	26.0	115.6	163,828,598	rentals	0.71
Broadband MSAN access	43.7	0.7	(0.9)	-	43.5	87.4	9.3%	8.1	51.6	2,816,170	rentals	18.32

Appendix 1 – Network Activity Statements

Appendix 1.1 Network Activity Statements Consolidated (continued)

For the year ended 31 March 2020

Fully Allocated Cost (£m)	HCA operating cost	Supplementary depreciation	Holding (gain)/loss and other CCA adjustments	Roundings	Total CCA operating costs	CCA mean capital employed	Applicable rate of return on capital %	Capital costs	Total of operating costs and capital costs relating to current year	Volume (ii)	Units	Average costs per min/unit on a current cost basis relating to current year
Ethernet Switch BB	46.5	0.4	(0.5)	-	46.4	92.1	9.3%	8.6	55.0	163,828,598	circuits	0.34
MSAN Access SFBB	6.3	0.1	(0.1)	-	6.3	11.0	9.3%	1.0	7.3	7,172,416	rentals	1.02
Metro-core broadband transmission	12.3	0.2	(0.2)	-	12.3	37.0	9.3%	3.4	15.7	172,465,902	circuits	0.09
ADSL connections	0.1	-	-	-	0.1	0.0	9.3%	0.0	0.1	430,036	conns	0.33
OR Project Services	8.5	-	-	-	8.5	(0.1)	8.0%	(0.0)	8.5	(i)	-	(i)
Caller Display	1.8	0.0	0.0	-	1.8	2.8	9.3%	0.3	2.1	(i)	-	(i)
Network Features	4.9	0.0	0.0	-	4.9	8.0	9.3%	0.7	5.6	(i)	-	(i)
Backhaul Extension Services Fibre	0.3	-	-	-	0.3	1.4	8.0%	0.1	0.4	307	le	1,412.66
Wholesale Extension Services Fibre	7.1	-	-	-	7.1	33.6	8.0%	2.7	9.8	5,532	le	1,772.24
Interconnect 2Mbps connection	3.0	-	-	-	3.0	0.2	9.3%	0.0	3.0	896	circuits	3,393.07
Interconnect extension circuits (IEC) 2Mbps link	0.5	0.0	(0.0)	-	0.5	0.8	9.3%	0.1	0.6	3,416	circuits	179.35
Interconnect Extension Circuits (IEC) 2Mbps per km	1.9	0.0	(0.0)	-	1.9	2.8	9.3%	0.3	2.2	72,740	km	29.83
Intra Building Circuit (IBC) connection	0.0	-	-	-	0.0	0.0	9.3%	0.0	0.0	1,319	circuits	4.81
Intra Building Circuit (IBC) rental	3.1	0.0	(0.0)	-	3.1	4.1	9.3%	0.4	3.5	45,511	circuits	76.62
Ethernet main links	16.7	3.8	(2.5)	-	18.0	54.1	8.0%	4.3	22.3	644,908	fibre km	34.58
Ethernet Electronics Current	23.8	0.3	(0.4)	-	23.7	26.7	8.0%	2.1	25.8	277,348	le	93.08
Broadband backhaul circuits (excl Virtual Paths)	11.4	0.4	(0.4)	-	11.4	20.3	9.3%	1.9	13.3	(i)	-	(i)
OR Systems & Development - Ethernet	10.1	-	-	-	10.1	22.2	8.0%	1.8	11.9	481,711	le	24.64
Ofcom Administration Fee Wholesale	1.2	-	-	-	1.2	0.2	9.3%	0.0	1.2	(i)	-	(i)
Ofcom Administration Fee Openreach	3.4	-	-	-	3.4	0.4	8.1%	0.0	3.4	(i)	-	(i)
Special Fault Investigation	40.6	-	-	-	40.6	1.0	9.3%	0.1	40.7	(i)	-	(i)
Openreach sales product management	19.9	-	-	-	19.9	(75.1)	8.1%	(6.1)	13.8	(i)	-	(i)
Broadband line testing systems	0.6	-	-	-	0.6	0.2	9.3%	0.0	0.6	2,825,596	lines	0.20
DSLAM support	4.7	0.0	(0.0)	-	4.7	10.8	9.3%	1.0	5.7	82,051	lines	69.04
DSLAM equipment	4.4	-	-	-	4.4	7.8	9.3%	0.7	5.1	106,971	lines	48.34
Co-mingling power & vent	62.8	1.1	(1.4)	-	62.5	65.4	8.1%	5.4	67.9	(i)	-	(i)
Ethernet Access Direct Fibre	204.3	-	-	-	204.3	883.5	8.0%	70.7	275.0	259,265	circuits	1,060.65
Ethernet Excess Construction Capex	66.2	-	-	-	66.2	3.7	8.0%	0.3	66.5	(i)	-	(i)
Ethernet Monitoring Platform	11.2	-	-	-	11.2	1.6	8.0%	0.1	11.3	58,771	circuits	193.42
SLG Ethernet Provision External	14.5	-	-	-	14.5	1.9	8.0%	0.2	14.7	(i)	-	(i)
SLG Ethernet Assurance External	0.1	-	-	-	0.1	0.0	8.0%	0.0	0.1	(i)	-	(i)
SLG WLR Provision External	4.2	-	-	-	4.2	0.6	8.1%	0.0	4.2	(i)	-	(i)
SLG WLR Assurance External	2.3	-	-	-	2.3	0.3	8.1%	0.0	2.3	(i)	-	(i)
SLG Ethernet Provision Internal	19.1	-	-	-	19.1	2.6	8.0%	0.2	19.3	(i)	-	(i)
SLG Ethernet Assurance Internal	0.1	-	-	-	0.1	0.0	8.0%	0.0	0.1	(i)	-	(i)
SLG WLR Provision Internal	8.1	-	-	-	8.1	1.1	8.1%	0.1	8.2	(i)	-	(i)
SLG WLR Assurance Internal	6.1	-	-	-	6.1	0.8	8.1%	0.1	6.2	(i)	-	(i)
Expedite Provision Costs	2.7	0.4	(0.3)	(0.1)	2.7	10.3	8.1%	0.8	3.5	38,296	lines	93.12
Combi Card and MSAN Access - Voice	0.0	0.0	(0.0)	-	0.0	0.1	8.1%	0.0	0.0	14,740,860	lines	-
Abortive Visits	16.5	-	-	-	16.5	1.0	8.1%	0.1	16.6	267,176	trans	62.04
EAD Electronics Capital	103.4	-	-	-	103.4	228.0	8.0%	18.2	121.6	279,763	circuits	434.80
NGA E side copper cable	73.3	4.7	(12.2)	-	65.8	433.2	9.3%	40.3	106.1	12,971,503	lines	8.18
NGA Visit Assure	58.0	-	-	-	58.0	1.4	8.1%	0.1	58.1	(i)	-	(i)
FTTP Development	21.6	-	-	-	21.6	47.3	9.3%	4.4	26.0	(i)	-	(i)
OR Service Centre - Assurance GEA	9.4	-	-	-	9.4	(2.1)	9.3%	(0.2)	9.2	(i)	-	(i)
SLG WLA Internal	19.8	-	-	-	19.8	2.6	8.1%	0.2	20.0	(i)	-	(i)

Appendix 1 – Network Activity Statements

Appendix 1.1 Network Activity Statements Consolidated (continued)

For the year ended 31 March 2020

Fully Allocated Cost (£m)	HCA operating cost	Supplementary depreciation	Holding (gain)/loss and other CCA adjustments	Roundings	Total CCA operating costs	CCA mean capital employed	Applicable rate of return on capital %	Capital costs	Total of operating costs and capital costs relating to current year	Volume (ii)	Units	Average costs per min/unit on a current cost basis relating to current year
GEA FTTC Access Fibre Spine	12.2	1.7	(1.1)	-	12.8	58.0	9.3%	5.4	18.2	12,971,503	rentals	1.40
GEA FTTC Distribution Fibre Spine	38.5	-	-	-	38.5	255.1	9.3%	23.7	62.2	12,971,503	rentals	4.80
GEA FTTC Electronics	10.0	-	-	-	10.0	64.8	9.3%	6.0	16.0	12,971,503	rentals	1.23
GEA DSLAM Cabinets	89.5	-	-	-	89.5	420.9	9.3%	39.1	128.6	(i)	-	(i)
GEA FTTC Customer Site Electronics	162.7	-	-	-	162.7	0.6	9.3%	0.1	162.8	(i)	-	(i)
GEA FTTC Repairs	19.3	-	-	-	19.3	0.4	9.3%	0.0	19.3	(i)	-	(i)
GEA FTTP Repairs	2.6	-	-	-	2.6	0.1	9.3%	0.0	2.6	(i)	-	(i)
GEA FTTP Provisions	4.4	-	-	-	4.4	0.5	9.3%	0.0	4.4	(i)	-	(i)
GEA FTTC Provisions	42.8	-	-	-	42.8	1.7	9.3%	0.2	43.0	(i)	-	(i)
FTTP Funded Fibre Rollout Spend	24.9	0.1	(0.3)	-	24.7	363.5	9.3%	33.8	58.5	(i)	-	(i)
FTTP Fibre Rollout Funding	(5.8)	-	-	-	(5.8)	(104.9)	9.3%	(9.8)	(15.6)	(i)	-	(i)
GEA FTTP Electronics	10.6	-	-	-	10.6	68.7	9.3%	6.4	17.0	406,076	rentals	41.80
GEA Cable links	10.0	-	-	-	10.0	1.2	9.3%	0.1	10.1	12,267	conns	826.29
GEA FTTP Customer Site Installation	40.2	-	-	-	40.2	0.2	9.3%	0.0	40.2	(i)	-	(i)
FTTC Fibre Rollout Funding	(15.3)	-	-	-	(15.3)	(277.1)	9.3%	(25.8)	(41.1)	(i)	-	(i)
FTTC Funded Fibre Rollout Spend	93.0	1.2	(6.2)	-	88.0	879.2	9.3%	81.8	169.8	(i)	-	(i)
GEA FTTP Access Fibre Spine	39.2	2.2	(1.4)	-	40.0	244.1	9.3%	22.7	62.7	406,076	rentals	154.43
GEA FTTP Distribution Fibre Spine	86.6	-	-	-	86.6	561.5	9.3%	52.2	138.8	406,076	rentals	341.89
Cumulo Rates NGA	120.8	-	-	-	120.8	15.9	8.1%	1.3	122.1	(i)	-	(i)
Cumulo Rates Non NGA - Non Openreach	28.7	-	-	-	28.7	3.8	9.3%	0.4	29.1	(i)	-	(i)
Cumulo Rates Non NGA - Openreach	155.3	-	-	-	155.3	20.4	8.1%	1.7	157.0	(i)	-	(i)
Dark Fibre Specific Rental costs	0.0	-	-	-	0.0	0.0	8.0%	0.0	0.0	8	circuits	90.21
Dark Fibre Specific Connections costs	0.0	-	-	-	0.0	0.0	8.0%	0.0	0.0	30	circuits	122.13
PIMR Costs - Downstream Asset	0.7	0.0	(0.0)	-	0.7	0.2	7.1%	0.0	0.7	(i)	-	(i)
PIMR Costs	304.7	110.0	(164.4)	-	250.3	4,905.1	7.1%	348.3	598.6	(i)	-	(i)
SMP Accounting Separation components	154.4	1.0	(0.4)	-	155.0	326.7		31.7	186.7			
Residual components	768.2	6.7	(6.1)	-	768.8	961.6		89.4	858.2			
Roundings	(0.3)	-	(0.4)	0.6	(0.1)	0.3		0.1	-			
Total	5,073.8	268.3	(306.3)	-	5,035.8	15,893.5		1,305.3	6,341.1			

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

(ii) See glossary for volume unit descriptors

Appendix 1 – Network Activity Statements

Appendix 1.2 Network Activity Statements Consolidated

Restated for the year ended 31 March 2019 (b)

Fully Allocated Cost (£m)	HCA operating cost	Supplementary depreciation	Holding (gain)/loss and other CCA adjustments	Roundings	Total CCA operating costs	CCA mean capital employed	Applicable rate of return on capital %	Capital costs	Total of operating costs and capital costs relating to current year	Volume (ii)	Units	Average costs per min/unit on a current cost basis relating to current year
Revenue Receivables	-	-	-	-	-	477.1	9.2%	43.8	43.8	(i)	-	(i)
MPF line testing systems	16.9	0.5	(1.3)	-	16.1	34.9	8.1%	2.8	18.9	9,557,147	lines	1.99
EVOTAM Testing Systems	14.2	0.4	(1.1)	0.1	13.6	29.4	8.1%	2.4	16.0	3,615,465	km	4.42
PC rentals 2Mbps regional trunk	4.0	0.3	(0.2)	-	4.1	8.1	9.3%	0.8	4.9	192,443	km	25.43
PC rental 2Mbps link national trunk	3.4	0.2	(0.2)	0.1	3.5	6.0	9.3%	0.6	4.1	(i)	-	(i)
Openreach time related charges	71.8	-	-	-	71.8	(2.4)	9.3%	(0.2)	71.6	(i)	-	(i)
Co-mingling set up	14.5	0.5	0.1	-	15.1	56.9	8.1%	4.6	19.7	14,718	rooms	1,339.62
Co-mingling rentals	16.0	0.1	0.0	0.1	16.2	34.9	8.1%	2.8	19.0	545,993	hostels	34.82
WLA tie cables	21.4	1.4	(4.2)	(0.1)	18.5	52.5	8.1%	4.3	22.8	1,170,863	cables	19.46
Local Loop Unbundling systems development	0.7	-	-	-	0.7	1.5	8.1%	0.1	0.8	(i)	-	(i)
Routeing & Records	23.7	-	-	-	23.7	(1.0)	8.1%	(0.1)	23.6	8,310,391	lines	2.84
MDF Hardware jumpering	110.9	-	-	-	110.9	(4.4)	8.1%	(0.4)	110.5	7,480,497	lines	14.78
E side copper capital	75.4	15.1	(45.6)	(0.1)	44.8	524.0	8.1%	42.4	87.2	25,068,688	lines	3.48
E side copper current	93.3	-	-	-	93.3	(3.8)	8.1%	(0.3)	93.0	25,855,512	lines	3.60
D side copper capital	323.8	75.8	(6.3)	0.1	393.4	1,972.4	8.1%	159.8	553.2	25,068,688	lines	22.06
D side copper current	265.8	-	-	-	265.8	(9.2)	8.1%	(0.8)	265.0	25,855,512	lines	10.25
Local exchanges general frames equipment	40.6	-	-	-	40.6	31.9	8.1%	2.6	43.2	38,944,076	lines	1.11
Local exchanges general frames maintenance	32.1	-	-	-	32.1	(1.1)	8.1%	(0.1)	32.0	25,855,074	lines	1.24
Analogue line test equipment	2.6	-	-	-	2.6	3.8	8.1%	0.3	2.9	25,046,066	lines	0.11
Dropwire capital & analogue NTE	305.0	35.1	(30.7)	-	309.4	1,112.3	8.1%	90.1	399.5	24,986,346	lines	15.99
Analogue line drop maintenance	53.0	-	-	-	53.0	(1.1)	8.1%	(0.1)	52.9	24,555,769	lines	2.16
Analogue line cards	103.1	0.4	1.7	-	105.2	135.5	8.1%	11.0	116.2	15,087,745	lines	7.70
Pair gain	0.0	-	-	-	0.0	0.0	8.1%	0.0	0.0	15,087,745	lines	0.00
FTTC Development	15.1	-	-	-	15.1	33.3	9.3%	3.1	18.2	(i)	-	(i)
Optical Ethernet Electronics Capital	25.6	-	-	-	25.6	55.7	9.3%	5.2	30.8	16,397	circuits	1,877.69
OR Service Centre - Provision Analogue/ISDN2	18.0	-	-	-	18.0	3.3	8.1%	0.3	18.3	(i)	-	(i)
OR Service Centre - Provision WLA	20.1	-	-	-	20.1	3.1	8.1%	0.3	20.4	(i)	-	(i)
OR Service Centre - Provision Ethernet	8.9	-	-	-	8.9	(0.6)	9.8%	(0.1)	8.8	(i)	-	(i)
OR Service Centre - Provision GEA	30.9	-	-	-	30.9	(2.1)	9.3%	(0.2)	30.7	(i)	-	(i)
OR Service Centre - Assurance Analogue/ISDN2	16.4	-	-	-	16.4	1.6	8.1%	0.1	16.5	(i)	-	(i)
OR Service Centre - Assurance WLA	14.8	-	-	-	14.8	1.3	8.1%	0.1	14.9	(i)	-	(i)
OR Service Centre - Assurance Ethernet	0.0	-	-	-	0.0	(0.0)	9.8%	(0.0)	-	(i)	-	(i)
SLG WLA External	20.3	-	-	-	20.3	2.8	8.1%	0.2	20.5	(i)	-	(i)
Ethernet Backhaul Direct extended reach	0.5	0.0	(0.0)	-	0.5	1.6	9.8%	0.2	0.7	2,345	circuits	299.19
Ethernet Backhaul Direct - Active	39.6	0.5	(0.2)	(0.1)	39.8	92.1	9.8%	9.0	48.8	7,336	circuits	6,661.40
Ethernet Backhaul Direct - Passive	6.4	0.4	(0.3)	-	6.5	16.2	9.8%	1.6	8.1	4,022	circuits	2,011.20
Ethernet Backhaul Direct Resilience - Active	0.8	0.0	(0.0)	-	0.8	2.2	9.8%	0.2	1.0	2,345	circuits	417.89
Ethernet Backhaul Direct - resilience - Passive	0.2	0.0	(0.0)	-	0.2	0.7	9.8%	0.1	0.3	1,311	circuits	197.88
Combi Card - Broadband	47.4	0.6	(0.2)	(0.1)	47.7	77.5	9.3%	7.2	54.9	(i)	-	(i)
iNode features	0.9	0.0	(0.0)	-	0.9	0.9	9.3%	0.1	1.0	(i)	-	(i)
Core/Metro (broadband)	40.7	0.1	(0.1)	0.1	40.8	116.2	9.3%	10.8	51.6	134,596,414	circuits	0.38
Core Directors - Broadband	0.6	0.0	(0.0)	-	0.6	1.7	9.3%	0.2	0.8	307,360	bandwidth	2.50
Edge Ethernet ports broadband	0.5	0.0	(0.0)	-	0.5	1.3	9.3%	0.1	0.6	126,313,406	bandwidth	0.00
Metro BRAS and MSE	73.5	0.3	(0.1)	-	73.7	206.8	9.3%	19.2	92.9	126,313,406	rentals	0.74
Broadband MSAN access	61.1	0.7	(0.3)	-	61.5	103.2	9.3%	9.6	71.1	3,615,465	rentals	19.66

Appendix 1 – Network Activity Statements

Appendix 1.2 Network Activity Statements Consolidated (continued)

Restated for the year ended 31 March 2019 (b)

Fully Allocated Cost (£m)	HCA operating cost	Supplementary depreciation	Holding (gain)/loss and other CCA adjustments	Roundings	Total CCA operating costs	CCA mean capital employed	Applicable rate of return on capital %	Capital costs	Total of operating costs and capital costs relating to current year	Volume (ii)	Units	Average costs per min/unit on a current cost basis relating to current year
Ethernet Switch BB	50.2	0.3	(0.1)	-	50.4	105.2	9.3%	9.8	60.2	126,313,406	circuits	0.48
MSAN Access - SFBB	6.7	0.1	(0.0)	(0.1)	6.7	12.7	9.3%	1.2	7.9	6,406,714	rentals	1.23
Metro core broadband transmission	13.5	0.3	(0.2)	(0.1)	13.5	39.6	9.3%	3.7	17.2	132,082,085	circuits	0.13
ADSL connections	0.1	-	-	-	0.1	0.0	9.3%	0.0	0.1	567,611	conns	0.17
OR Project Services	9.6	-	-	-	9.6	(0.7)	9.8%	(0.1)	9.5	(i)	-	(i)
Caller Display	1.9	0.0	0.0	-	1.9	2.5	9.3%	0.2	2.1	(i)	-	(i)
Network Features	4.7	0.0	0.1	-	4.8	6.1	9.3%	0.6	5.4	(i)	-	(i)
Backhaul Extension Services Fibre	1.7	-	-	-	1.7	7.9	9.8%	0.8	2.5	432	le	5,624.36
Wholesale Extension Services Fibre	10.6	-	-	-	10.6	50.4	9.8%	4.9	15.5	8,031	le	1,938.97
Interconnect 2Mbps connection	5.1	-	-	-	5.1	0.1	9.3%	0.0	5.1	796	circuits	6,382.55
Interconnect extension circuits IEC 2Mbps link	0.5	0.0	(0.0)	-	0.5	0.6	9.3%	0.1	0.6	3,968	circuits	143.04
Interconnect Extension Circuits IEC 2Mbps per km	1.7	0.0	(0.0)	0.1	1.8	2.0	9.3%	0.2	2.0	81,887	km	23.80
Intra Building Circuit IBC connection	0.0	-	-	-	0.0	0.0	9.3%	0.0	0.0	2,322	circuits	1.95
Intra Building Circuit IBC rental	3.6	0.0	0.0	-	3.6	4.1	9.3%	0.4	4.0	47,378	circuits	84.91
Ethernet main links	15.5	3.7	(2.7)	-	16.5	48.7	9.8%	4.8	21.3	613,051	fibre km	34.69
Ethernet Electronics Current	21.2	0.3	(0.1)	-	21.4	22.0	9.8%	2.2	23.6	254,771	le	92.36
Broadband backhaul circuits excl Virtual Paths	38.1	1.3	(0.8)	-	38.6	56.7	9.3%	5.3	43.9	(i)	-	(i)
OR Systems & Development - Ethernet	9.2	-	-	-	9.2	20.3	9.8%	2.0	11.2	438,879	le	25.54
Ofcom Administration Fee - Wholesale	1.9	-	-	-	1.9	0.2	9.3%	0.0	1.9	(i)	-	(i)
Ofcom Administration Fee Openreach	4.9	-	-	-	4.9	0.6	8.1%	0.1	5.0	(i)	-	(i)
Special Fault Investigation	40.0	-	-	-	40.0	(1.6)	9.3%	(0.2)	39.8	(i)	-	(i)
Openreach sales product management	19.1	-	-	-	19.1	(46.4)	8.1%	(3.8)	15.3	(i)	-	(i)
Broadband line testing systems	0.5	-	-	-	0.5	0.3	9.3%	0.0	0.5	3,681,554	lines	0.15
DSLAM support	15.5	0.2	(0.1)	-	15.6	33.0	9.3%	3.1	18.7	387,072	lines	48.24
DSLAM equipment	2.9	-	-	-	2.9	10.7	9.3%	1.0	3.9	430,294	lines	9.12
Co-mingling power & vent	63.4	1.0	(0.8)	-	63.6	57.3	8.1%	4.7	68.3	(i)	-	(i)
Ethernet Access Direct Fibre	190.2	-	-	-	190.2	855.0	9.8%	83.8	274.0	237,123	circuits	1,155.39
Ethernet Excess Construction Capex	72.7	-	-	-	72.7	1.3	9.8%	0.1	72.8	(i)	-	(i)
Ethernet Monitoring Platform	15.2	-	-	-	15.2	2.2	9.8%	0.2	15.4	51,755	circuits	296.94
SLG Ethernet Provision External	9.7	-	-	-	9.7	1.3	9.8%	0.1	9.8	(i)	-	(i)
SLG Ethernet Assurance External	0.1	-	-	-	0.1	0.0	9.8%	0.0	0.1	(i)	-	(i)
SLG WLR Provision External	3.2	-	-	-	3.2	0.4	8.1%	0.0	3.2	(i)	-	(i)
SLG WLR Assurance External	1.3	-	-	-	1.3	0.2	8.1%	0.0	1.3	(i)	-	(i)
SLG Ethernet Provision Internal	13.6	-	-	-	13.6	1.8	9.8%	0.2	13.8	(i)	-	(i)
SLG Ethernet Assurance Internal	0.1	-	-	-	0.1	0.0	9.8%	0.0	0.1	(i)	-	(i)
SLG WLR Provision Internal	7.5	-	-	-	7.5	1.0	8.1%	0.1	7.6	(i)	-	(i)
SLG WLR Assurance Internal	3.5	-	-	-	3.5	0.5	8.1%	0.0	3.5	(i)	-	(i)
Expedite Provision Costs	3.5	0.4	(0.4)	-	3.5	12.7	8.1%	1.0	4.5	46,986	lines	96.61
Combi Card and MSAN Access - Voice	0.0	0.0	(0.0)	-	0.0	0.1	8.1%	0.0	0.0	15,087,745	lines	0.00
Abortive Visits	11.3	-	-	-	11.3	0.1	8.1%	0.0	11.3	229,504	trans	49.50
EAD Electronics Capital	105.7	-	-	-	105.7	219.1	9.8%	21.5	127.2	251,816	circuits	505.01
NGA E side Copper cable	59.8	4.5	(13.7)	-	50.6	422.0	9.3%	39.2	89.8	10,677,500	lines	8.41
NGA Visit Assure	34.3	-	-	-	34.3	(1.4)	8.1%	(0.1)	34.2	(i)	-	(i)
FTTP Development	21.8	-	-	-	21.8	47.9	9.3%	4.5	26.3	(i)	-	(i)
OR Service Centre - Assurance GEA	21.9	-	-	-	21.9	(3.4)	9.3%	(0.3)	21.6	(i)	-	(i)
SLG WLA Internal	11.7	-	-	-	11.7	1.6	8.1%	0.1	11.8	(i)	-	(i)

Appendix 1 – Network Activity Statements

Appendix 1.2 Network Activity Statements Consolidated (continued)

Restated for the year ended 31 March 2019 (b)

Fully Allocated Cost (£m)	HCA operating cost	Supplementary depreciation	Holding (gain)/loss and other CCA adjustments	Roundings	Total CCA operating costs	CCA mean capital employed	Applicable rate of return on capital %	Capital costs	Total of operating costs and capital costs relating to current year	Volume (ii)	Units	Average costs per min/unit on a current cost basis relating to current year
GEA FTTC Access Fibre Spine	10.8	1.7	(1.2)	-	11.3	49.5	9.3%	4.6	15.9	10,677,500	rentals	1.49
GEA FTTC Distribution Fibre Spine	31.4	-	-	-	31.4	185.1	9.3%	17.2	48.6	10,677,500	rentals	4.56
GEA FTTC Electronics	7.4	-	-	-	7.4	36.2	9.3%	3.4	10.8	10,677,500	rentals	1.01
GEA DSLAM Cabinets	56.8	-	-	-	56.8	401.7	9.3%	37.4	94.2	(i)	-	(i)
GEA FTTC Customer Site Electronics	156.8	-	-	-	156.8	(0.9)	9.3%	(0.1)	156.7	(i)	-	(i)
GEA FTTC Repairs	16.0	-	-	-	16.0	(0.7)	9.3%	(0.1)	15.9	(i)	-	(i)
GEA FTTP Repairs	1.0	-	-	-	1.0	(0.0)	9.3%	(0.0)	1.0	(i)	-	(i)
GEA FTTP Provisions	7.6	-	-	-	7.6	0.6	9.3%	0.1	7.7	(i)	-	(i)
GEA FTTC Provisions	29.4	-	-	-	29.4	(0.3)	9.3%	(0.0)	29.4	(i)	-	(i)
FTTP Funded Fibre Rollout Spend	17.0	0.0	(0.2)	-	16.8	264.0	9.3%	24.5	41.3	(i)	-	(i)
FTTP Fibre Rollout Funding	(11.2)	-	-	-	(11.2)	(82.0)	9.3%	(7.6)	(18.8)	(i)	-	(i)
GEA FTTP Electronics	8.2	-	-	-	8.2	40.1	9.3%	3.7	11.9	302,742	rentals	39.23
GEA Cable Links	8.8	-	-	-	8.8	1.0	9.3%	0.1	8.9	10,614	conns	841.09
GEA FTTP Customer Site Installation	15.5	-	-	-	15.5	(0.1)	9.3%	(0.0)	15.5	(i)	-	(i)
FTTC Fibre Rollout Funding	(38.4)	-	-	-	(38.4)	(281.1)	9.3%	(26.1)	(64.5)	(i)	-	(i)
FTTC Funded Fibre Rollout Spend	96.2	0.9	(5.0)	-	92.1	858.6	9.3%	79.8	171.9	(i)	-	(i)
GEA FTTP Access Fibre Spine	27.1	1.4	(1.1)	0.1	27.5	172.9	9.3%	16.1	43.6	302,742	rentals	143.84
GEA FTTP Distribution Fibre Spine	41.5	-	-	-	41.5	230.9	9.3%	21.5	63.0	302,742	rentals	208.00
Cumulo Rates NGA	71.0	-	-	-	71.0	9.5	8.1%	0.8	71.8	(i)	-	(i)
Cumulo Rates Non NGA - Non Openreach	22.6	-	-	-	22.6	3.0	9.3%	0.3	22.9	(i)	-	(i)
Cumulo Rates Non NGA - Openreach	123.3	-	-	-	123.3	16.4	9.8%	1.6	124.9	(i)	-	(i)
Dark Fibre Specific Rental costs	-	-	-	-	-	-	8.0%	-	-	-	circuits	-
Dark Fibre Specific Connections costs	-	-	-	-	-	-	8.0%	-	-	-	circuits	-
PIMR Costs - Downstream Asset	-	-	-	-	-	-	7.1%	-	-	(i)	-	(i)
PIMR Costs	275.4	102.3	(138.6)	(0.1)	239.0	4,744.5	7.1%	336.9	575.9	(i)	-	(i)
SMP Accounting Separation components	211.1	1.8	2.0	(0.1)	214.8	357.7	-	33.0	247.8	-	-	-
Residual components	815.5	6.0	(3.7)	-	817.8	726.5	-	67.6	885.4	-	-	-
Roundings	-	0.1	(0.1)	-	-	0.2	-	(0.2)	(0.2)	-	-	-
Total	4,964.5	258.7	(255.7)	(0.1)	4,967.4	14,905.0		1,239.6	6,207.0			

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

(ii) See glossary for volume unit descriptor

Appendix 2

Time Related Charges and Special Fault Investigation Costs

Appendix 2 – Time Related Charges and Special Fault Investigation Costs

Appendix 2.1 Time Related Charges Relating to WFAEL

For the year ended 31 March 2020

Volumes (hours) - Billed (exc volume deals)

Normal hours	430,042
Other hours	Not available
Sunday/Bank Holiday hours	Not available
Total TRC hours	430,042

Total Direct Costs £ per hour **41.05**

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

Appendix 2.2 Time Related Charges Relating to WFAEL

Restated for the year ended 31 March 2019 (b)

Volumes (hours) - Billed (exc volume deals)

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

Total Direct Costs £ per hour **39.80**

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

Appendix 2.3 Special Fault Investigation Costs Relating to Wholesale Local Access

For the year ended 31 March 2020

Module	Cost per module £m
Base	37.9
Network	2.0
Frame	0.5
Internal Wiring	0.2
Internal Equipment	0.2
Co-op	-
Frame Direct	0.2
	41.0

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

Appendix 2.4 Special Fault Investigation Costs Relating to Wholesale Local Access

Restated for the year ended 31 March 2019 (b)

Module	Cost per module £m
Base	37.0
Network	1.9
Frame	0.5
Internal Wiring	0.2
Internal Equipment	0.2
Co-op	-
Frame Direct	0.3
	40.1

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

Appendix 3

PIA Network Adjustments

Appendix 3 – PIA Network Adjustments

Appendix 3 PIA Network Adjustments

For the year ended 31 March 2020

Network Adjustments

	Internal Accumulated MCE £m	External Accumulated MCE £m
Below the financial limit Network Adjustments - Capitalised	9.4	1.9
Below the financial limit Network Adjustments - Expensed - Restated	-	-
Total below the financial limit Network Adjustments	9.4	1.9
Above the financial limit Network Adjustments - Capitalised	-	-
Above the financial limit Network Adjustments - Expensed - Restated	-	-
Total above the financial limit Network Adjustments	-	-
Total Network Adjustments*	9.4	1.9

*where >£5m, total internal and external

Appendix 4

Reconciliation Report – Impact of Methodology Changes and Errors

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

4.1.1 Change Control Notification – amendments and additional methodologies

BT has an obligation, most recently set out in SMP Condition 11.21, Annex 26 of the 2019 Statement: ‘Promoting competition and investment in fibre networks – review of the Physical Infrastructure and Business Connectivity Markets’, to publish all methodology changes that were implemented between the RFS for the year ended 31 March 2019 published on 31 July 2019 and these RFS published on 31 July 2020. This obligation was met by the publication of the CCN, dated 31 March 2020.

Our CCN contained all the methodology changes we proposed and have implemented up to 31 March 2020.

4.1.2 Directions relating to the Reconciliation Report

Annex 1 to the RFR Direction published 12 July 2019 includes Direction 5: Direction setting the requirements in relation to the Reconciliation Report and the accompanying audit opinion, requires BT to set out:

In relation to changes to the Regulatory Accounting Methodology:

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

In relation to Material Errors (as defined by Ofcom – refer to section 4.1.5) identified since the publication of the previous Financial Year’s RFS:

- 1) for each Material Error, a description of the Material Error, the circumstances of discovery of the Material Error, the reason for the

Material Error, and whether such Material Error has been corrected in the restated Prior Year Comparatives;

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

These requirements are met by the narrative and tables set out on pages 150 to 160.

4.1.3 Comparability of current and prior year results

This Appendix contains the Reconciliation Report which sets out changes to regulatory accounting methodologies for 2019/20 and the impact of such changes on the 2020 RFS. It also sets out the impact of errors subsequently identified in the 2019 RFS which meet Ofcom’s definition of materiality. The Reconciliation Report is prepared on the basis of preparation set out in Section 2 of these RFS except for the adjustments of methodologies and correction of errors described in Appendix 4.1.4 and 4.1.5 below.

This Appendix also includes restatement walks which show the impact of methodology changes and correction of identified errors which meet Ofcom’s materiality threshold on the results for 2018/19 originally published on 31 July 2019. These walks are set out on pages 138 to 149.

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

Impact of Changes on Revenue

	Reference to 4.1.4 Methodology changes and 4.1.5 Errors Corrected in Prior Year Comparatives	Physical Infrastructure Access Market	Wholesale Local Access Market		Business Connectivity Markets							Narrowband Markets			Total Openreach SMP Markets	Openreach Residual	Eliminations	Total Openreach	
			£m	£m	Low Bandwidth CISBO Rest of UK	Low Bandwidth CISBO Combined Geographic	CI Access Services - BT Only Areas	CI Access services - BT+1	High Network Reach Areas Outside CLA	Technical Areas (Non-Dark Fibre) Inter Exchange	Technical Areas (Dark Fibre) Inter Exchange	WFAEL	ISDN2	ISDN30					£m
2018/19 as originally published			-	2,353	499	28	-	-	-	-	-	-	1,614	79	136	4,709	366	-	5,075
CCN Methodologies																			
Market definition changes																			
Change of market structure for the Business Connectivity Markets	I		-	-	(499)	(28)	385	141	19	143	-	-	-	-	-	161	(161)	-	-
Deregulation of the TISBO market	II		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes to ISDN reporting	III		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reporting of the Physical Infrastructure Access Market	IV		591	-	-	-	-	-	-	-	-	-	-	-	-	591	-	(556)	35
Market definition changes			591	-	(499)	(28)	385	141	19	143	-	-	-	-	-	752	(161)	(556)	35
Methodology Changes proposed by Ofcom																			
Access Locate	V		-	(9)	-	-	5	1	-	3	-	-	-	-	-	-	-	-	-
EE integration costs	VI		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Access Fibre valuation	VII		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ECCs decapitalisation	VIII		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment Works	IX		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Methodology Changes proposed by Ofcom			-	(9)	-	-	5	1	-	3	-	-	-	-	-	-	-	-	-
Methodology changes proposed by BT																			
WLA Tie Cables	XI		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach Service Centre costs	XII		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach Project Services	XV		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group PAC methodology	XVIII		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SOGEA and G Fast Services	XIX		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of WLR/MPF Enhanced Care SML2 costs	XX		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Cablelink cost allocations	XXI		-	-	-	-	-	-	-	-	-	-	(1)	-	-	(1)	1	-	-
Copper CCA separation	XXIV		2	-	-	-	-	-	-	-	-	-	-	-	-	2	-	(2)	-
Access Fibre allocation	XXV		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interexchange Fibre allocation	XXVI		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Access Fibre usage factors	XXVII		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Methodology Changes proposed by BT			2	-	-	-	-	-	-	-	-	-	(1)	-	-	1	1	(2)	-
Cumulative non-material changes, interactions and roundings			(1)	-	-	-	1	-	-	-	-	-	-	-	-	-	(1)	-	(1)
Total CCN Methodologies			592	(9)	(499)	(28)	391	142	19	146	-	-	(1)	-	-	753	(161)	(558)	34
2018/19 RFS market figures reflecting all methodology changes			592	2,344	-	-	391	142	19	146	-	-	1,613	79	136	5,462	205	(558)	5,109

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

Impact of Changes on Revenue (continued)

	Reference to 4.1.4 Methodology changes and 4.1.5 Errors Corrected in Prior Year Comparatives	Physical Infrastructure Access Market	Wholesale Local Access Market	Business Connectivity Markets								Narrowband Markets			Total Openreach SMP Markets	Openreach Residual	Eliminations	Total Openreach
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m				
Changes due to Errors Corrected in Prior Year Comparatives																		
MPF New Provide and Other LLU Ancillaries volume mapping	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach Product Management costs	II	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulo Non NGA allocation	III	-	-	-	-	(3)	-	-	1	-	-	-	(2)	1	1	-	-	-
Excess Construction Charges (ECCs)	IV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Duct allocation bases	V	(12)	-	-	-	-	-	-	-	-	-	-	(12)	-	12	-	-	-
Ethernet main links fibre length	VI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FTTP FVA – Rentals	VII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fibre rollout funding	VIII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes due to Errors Corrected in Prior Year Comparatives		(12)	-	-	-	(3)	-	-	1	-	-	-	(14)	1	13	-	-	-
Total changes		580	(9)	(499)	(28)	388	142	19	147	-	(1)	-	739	(160)	(545)	34	-	-
2018/19 as restated		580	2,344	-	-	388	142	19	147	-	1,613	79	136	5,448	206	(545)	5,109	-

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

Impact of Changes on Revenue (continued)

	Reference to 4.1.4 Methodology changes and 4.1.5 Errors Corrected in Prior Year Comparatives	Business Connectivity Markets	Narrowband Markets			Wholesale Broadband Access Markets	Total Rest of BT SMP Markets	Total SMP Markets	Rest of BT Residual	Total Rest of BT	Eliminations	Roundings	Total Markets
		Low Bandwidth TISBO	Fixed Call Origination	Fixed Geographic Call Termination	Technical Areas (DLE Interconnect Circuits)	WBA (Market A)							
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
2018/19 as originally published		122	138	9	6	102	377	5,086	22,940	23,317	(4,966)	2	23,428
CCN Methodologies													
Market definition changes													
Change of market structure for the Business Connectivity Markets	I	-	-	-	-	-	-	161	-	-	-	-	-
Deregulation of the TISBO market	II	(122)	-	-	-	-	(122)	(122)	122	-	-	-	-
Changes to ISDN reporting	III	-	-	-	-	-	-	-	-	-	-	-	-
Reporting of the Physical Infrastructure Access Market	IV	-	-	-	-	-	-	591	(3)	(3)	(32)	-	-
Market definition changes		(122)	-	-	-	-	(122)	630	119	(3)	(32)	-	-
Methodology Changes proposed by Ofcom													
Access Locate	V	-	-	-	-	-	-	-	-	-	-	-	-
EE integration costs	VI	-	-	-	-	-	-	-	(3)	(3)	3	-	-
Access Fibre valuation	VII	-	-	-	-	-	-	-	-	-	-	-	-
ECCs decapitalisation	VIII	-	-	-	-	-	-	-	-	-	-	-	-
Repayment Works	IX	-	-	-	-	-	-	-	(1)	(1)	1	-	-
Methodology Changes proposed by Ofcom		-	-	-	-	-	-	-	(4)	(4)	4	-	-
Methodology changes proposed by BT													
WLA Tie Cables	XI	-	-	-	-	-	-	-	-	-	-	-	-
Openreach Service Centre costs	XII	-	-	-	-	-	-	-	-	-	-	-	-
Openreach Project Services	XV	-	-	-	-	-	-	-	-	-	-	-	-
Group PAC methodology	XVIII	-	-	-	-	-	-	-	(4)	(4)	4	-	-
SOGEA and G Fast Services	XIX	-	-	-	-	-	-	-	2	2	(2)	-	-
Allocation of WLR/MPF Enhanced Care SML2 costs	XX	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Cablelink cost allocations	XXI	-	-	-	-	-	-	(1)	(2)	(2)	2	-	-
Copper CCA separation	XXIV	-	-	-	-	-	-	2	-	-	-	-	-
Access Fibre allocation	XXV	-	-	-	-	-	-	-	-	-	-	-	-
Interexchange Fibre allocation	XXVI	-	-	-	-	-	-	-	(9)	(9)	9	-	-
Access Fibre usage factors	XXVII	-	-	-	-	-	-	-	-	-	-	-	-
Methodology Changes proposed by BT		-	-	-	-	-	-	1	(13)	(13)	13	-	-
Cumulative non-material changes, interactions and roundings		-	-	-	-	-	-	-	2	2	-	(1)	-
Total CCN Methodologies		(122)	-	-	-	-	(122)	631	104	(18)	(15)	(1)	-
2018/19 RFS market figures reflecting all methodology changes		-	138	9	6	102	255	5,717	23,044	23,299	(4,981)	1	23,428

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

Impact of Changes on Revenue (continued)

	Reference to 4.1, 4 Methodology changes and 4.1.5 Errors Corrected in Prior Year Comparatives	Business Connectivity Markets Low Bandwidth TISBO	Narrowband Markets			Wholesale Broadband Access Markets WBA (Market A)	Total Rest of BT SMP Markets	Total SMP Markets	Rest of BT Residual	Total Rest of BT	Eliminations	Roundings	Total Markets
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Changes due to Errors Corrected in Prior Year Comparatives													
MPF New Provide and Other LLU Ancillaries volume mapping	I	-	-	-	-	-	-	-	-	-	-	-	
Openreach Product Management costs	II	-	-	-	-	-	-	-	-	-	-	-	
Cumulo Non NGA allocation	III	-	-	-	-	-	(2)	3	3	(3)	-	-	
Excess Construction Charges (ECCs)	IV	-	-	-	-	-	-	-	-	-	-	-	
Duct allocation bases	V	-	-	-	-	-	(12)	-	-	-	-	-	
Ethernet main links fibre length	VI	-	-	-	-	-	-	(1)	(1)	1	-	-	
FTTP FVA – Rentals	VII	-	-	-	-	-	-	-	-	-	-	-	
Fibre rollout funding	VIII	-	-	-	-	-	-	-	-	-	-	-	
Changes due to Errors Corrected in Prior Year Comparatives		-	-	-	-	-	(14)	2	2	(2)	-	-	
Total changes		(122)	-	-	-	-	(122)	617	106	(16)	(17)	(1)	
2018/19 as restated		-	138	9	6	102	255	5,703	23,046	23,301	(4,983)	1	23,428

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

Impact of Changes on Operating Costs

	Reference to 4.1.4 Methodology changes and 4.1.5 Errors Corrected in Prior Year Comparatives	Physical Infrastructure Access Market		Business Connectivity Markets								Narrowband Markets			Total Openreach SMP Markets	Openreach Residual	Eliminations	Total Openreach
		Wholesale Local Access Markets	WLA	Low Bandwidth CISBO Rest of UK	Low Bandwidth CISBO Combined Geographic	CI Access Services - BT Only Areas	CI Access services - BT+1	High Network Reach Areas Outside CLA	Technical Areas (Non-Dark Fibre) Inter Exchange	Technical Areas (Dark Fibre) Inter Exchange	WFAEL	ISDN2	ISDN30					
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
2018/19 as originally published		-	1,703	430	17	-	-	-	-	-	1,133	40	75	3,398	188	-	3,586	
CCN Methodologies																		
Market definition changes																		
Change of market structure for the Business Connectivity Markets	I	-	-	(430)	(17)	331	103	11	83	-	-	-	-	81	(81)	-	-	
Deregulation of the TISBO market	II	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Changes to ISDN reporting	III	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reporting of the Physical Infrastructure Access Market	IV	245	129	-	-	36	6	2	10	-	131	3	5	567	(10)	(556)	1	
Market definition changes		245	129	(430)	(17)	367	109	13	93	-	131	3	5	648	(91)	(556)	1	
Methodology Changes proposed by Ofcom																		
Access Locate	V	-	(8)	-	-	4	1	-	3	-	-	-	-	-	-	-	-	
EE integration costs	VI	-	(1)	-	-	(1)	-	-	-	-	(1)	-	-	(3)	-	-	(3)	
Access Fibre valuation	VII	-	22	-	-	(6)	(3)	-	-	-	1	-	(1)	13	(2)	-	11	
ECCs decapitalisation	VIII	-	-	-	-	20	9	3	-	-	-	-	-	32	(2)	-	30	
Repayment Works	IX	-	(6)	-	-	(2)	-	-	(1)	-	(11)	-	-	(20)	20	-	-	
Methodology Changes proposed by Ofcom		-	7	-	-	15	7	3	2	-	(11)	-	(1)	22	16	-	38	
Methodology changes proposed by BT																		
WLA Tie Cables	XI	-	12	-	-	-	-	-	-	-	-	-	-	12	-	-	12	
Openreach Service Centre costs	XII	-	8	-	-	(4)	(2)	(1)	-	-	3	-	-	4	(4)	-	-	
Openreach Project Services	XV	-	(4)	-	-	4	2	-	-	-	(3)	-	(1)	(2)	2	-	-	
Group PAC methodology	XVIII	-	(12)	-	-	(2)	-	(1)	(1)	-	(8)	-	-	(24)	(1)	-	(25)	
SOGEA and G Fast Services	XIX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Allocation of WLR/MPF Enhanced Care SML2 costs	XX	-	(12)	-	-	(1)	(1)	-	-	-	15	-	-	1	-	-	1	
Ethernet Cablelink cost allocations	XXI	-	-	-	-	(2)	-	-	1	-	-	-	-	(1)	1	-	-	
Copper CCA separation	XXIV	2	(10)	-	-	-	-	-	-	-	10	-	-	2	(1)	(2)	(1)	
Access Fibre allocation	XXV	-	(36)	-	-	21	7	1	-	-	-	-	2	(5)	3	-	(2)	
Interexchange Fibre allocation	XXVI	-	39	-	-	(13)	(1)	-	(10)	-	-	-	-	15	(1)	-	14	
Access Fibre usage factors	XXVII	-	-	-	-	(1)	1	-	-	-	-	-	-	-	-	-	-	
Methodology Changes proposed by BT		2	(15)	-	-	2	6	(1)	(10)	-	17	-	1	2	(1)	(2)	(1)	
Cumulative non-material changes, interactions and roundings		-	-	-	-	-	-	(1)	1	-	(1)	-	-	(1)	-	-	(1)	
Total CCN Methodologies		247	121	(430)	(17)	384	122	14	86	-	136	3	5	671	(76)	(558)	37	
2018/19 RFS market figures reflecting all methodology changes		247	1,824	-	-	384	122	14	86	-	1,269	43	80	4,069	112	(558)	3,623	

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

Impact of Changes on Operating Costs (continued)

	Reference to 4.1.4 Methodology changes and 4.1.5 Errors Corrected in Prior Year Comparatives	Physical Infrastructure Access Market		Business Connectivity Markets							Narrowband Markets			Total Openreach SMP Markets	Openreach Residual	Eliminations	Total Openreach
		Wholesale Local Access Markets	WLA	Low Bandwidth CISBO Rest of UK	Low Bandwidth CISBO Combined Geographic	CI Access Services - BT Only Areas	CI Access services - BT+1	High Network Reach Areas Outside CLA	Technical Areas (Non-Dark Fibre) Inter Exchange	Technical Areas (Dark Fibre) Inter Exchange	WFAL	ISDN2	ISDN30				
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Changes due to Errors Corrected in Prior Year Comparatives		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MPF New Provide and Other LLU Ancillaries volume mapping	I	-	2	-	-	-	-	-	-	-	(2)	-	-	-	-	-	-
Openreach Product Management costs	II	-	7	-	-	1	1	-	-	-	1	-	-	10	(10)	-	-
Cumulo Non NGA allocation	III	-	(5)	-	-	(6)	(1)	-	1	-	(6)	-	1	(16)	(3)	1	(18)
Excess Construction Charges (ECCs)	IV	-	-	-	-	(2)	(1)	-	-	-	-	-	-	(3)	-	-	(3)
Duct allocation bases	V	(7)	-	-	-	(6)	(1)	-	1	-	(3)	-	(1)	(17)	-	12	(5)
Ethernet main links fibre length	VI	-	(4)	-	-	4	-	-	2	-	-	-	-	2	-	-	2
FTTP FVA – Rentals	VII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fibre rollout funding	VIII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes due to Errors Corrected in Prior Year Comparatives		(7)	-	-	-	(9)	(2)	-	4	-	(10)	-	-	(24)	(13)	13	(24)
Total changes		240	121	(430)	(17)	375	120	14	90	-	126	3	5	647	(89)	(545)	13
2018/19 as restated		240	1,824	-	-	375	120	14	90	-	1,259	43	80	4,045	99	(545)	3,599

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

Impact of Changes on Operating Costs (continued)

	Reference to 4.1,4 Methodology changes and 4.1.5 Errors Corrected in Prior Year Comparatives	Business Connectivity Markets	Narrowband Markets			Wholesale Broadband Access Markets	Total Rest of BT SMP Markets	Total SMP Markets	Rest of BT Residual	Total Rest of BT	Eliminations	Roundings	Total Markets
		Low Bandwidth TISBO	Fixed Call Origination	Fixed Geographic Call Termination	Technical Areas (DLE Interconnect Circuits)	WBA (Market A)							
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
2018/19 as originally published		100	89	86	4	54	333	3,731	21,257	21,590	(5,074)	-	20,102
CCN Methodologies													
Market definition changes													
Change of market structure for the Business Connectivity Markets	I	-	-	-	-	-	-	81	-	-	-	-	-
Deregulation of the TISBO market	II	(100)	-	-	-	-	(100)	(100)	100	-	-	-	-
Changes to ISDN reporting	III	-	-	-	-	-	-	-	-	-	-	-	-
Reporting of the Physical Infrastructure Access Market	IV	-	(2)	(1)	(1)	1	(3)	564	14	11	(12)	-	-
Market definition changes		(100)	(2)	(1)	(1)	1	(103)	545	114	11	(12)	-	-
Methodology Changes proposed by Ofcom													
Access Locate	V	-	-	-	-	-	-	-	-	-	-	-	-
EE integration costs	VI	-	-	-	-	(1)	(1)	(4)	1	-	3	-	-
Access Fibre valuation	VII	-	-	-	-	-	-	13	-	-	1	-	12
ECCs decapitalisation	VIII	-	-	-	-	-	-	32	(5)	(5)	3	-	28
Repayment Works	IX	-	-	-	-	-	-	(20)	-	-	-	-	-
Methodology Changes proposed by Ofcom		-	-	-	-	(1)	(1)	21	(4)	(5)	7	-	40
Methodology changes proposed by BT													
WLA Tie Cables	XI	-	-	-	-	-	-	12	-	-	-	-	12
Openreach Service Centre costs	XII	-	-	-	-	-	-	4	(1)	(1)	1	-	-
Openreach Project Services	XV	-	-	-	-	-	-	(2)	-	-	-	-	-
Group PAC methodology	XVIII	-	-	-	-	-	-	(24)	21	21	4	-	-
SOGEA and G Fast Services	XIX	-	-	-	-	-	-	-	2	2	(2)	-	-
Allocation of WLR/MPF Enhanced Care SML2 costs	XX	-	-	-	-	-	-	1	(1)	(1)	-	-	-
Ethernet Cablelink cost allocations	XXI	-	-	-	-	-	-	(1)	(2)	(2)	2	-	-
Copper CCA separation	XXIV	-	-	-	-	-	-	2	-	-	1	-	-
Access Fibre allocation	XXV	-	-	-	-	-	-	(5)	1	1	1	-	-
Interexchange Fibre allocation	XXVI	-	(1)	(1)	-	(2)	(4)	11	(20)	(24)	10	-	-
Access Fibre usage factors	XXVII	-	-	-	-	-	-	-	-	-	-	-	-
Methodology Changes proposed by BT		-	(1)	(1)	-	(2)	(4)	(2)	-	(4)	17	-	12
Cumulative non-material changes, interactions and roundings		-	-	-	-	-	-	(1)	-	-	-	-	(1)
Total CCN Methodologies		(100)	(3)	(2)	(1)	(2)	(108)	563	110	2	12	-	51
2018/19 RFS market figures reflecting all methodology changes		-	86	84	3	52	225	4,294	21,367	21,592	(5,062)	-	20,153

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

Impact of Changes on Operating Costs (continued)

	Reference to 4.1.4 Methodology changes and 4.1.5 Errors Corrected in Prior Year Comparatives	Business Connectivity Markets	Narrowband Markets			Wholesale Broadband Access Markets	Total Rest of BT SMP Markets	Total SMP Markets	Rest of BT Residual	Total Rest of BT	Eliminations	Roundings	Total Markets
		Low Bandwidth TISBO	Fixed Call Origination	Fixed Geographic Call Termination	Technical Areas (DLE Interconnect Circuits)	WBA (Market A)							
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Changes due to Errors Corrected in Prior Year Comparatives													
MPF New Provide and Other LLU Ancillaries volume mapping	I	-	-	-	-	-	-	-	-	-	-	-	-
Openreach Product Management costs	II	-	-	-	-	-	-	10	(1)	(1)	-	1	-
Cumulo Non NGA allocation	III	-	4	3	1	2	10	(6)	13	23	(5)	-	-
Excess Construction Charges (ECCs)	IV	-	-	-	-	-	-	(3)	-	-	-	-	(3)
Duct allocation bases	V	-	-	-	-	-	-	(17)	1	1	-	-	(4)
Ethernet main links fibre length	VI	-	-	-	-	(1)	(1)	1	(2)	(3)	1	-	-
FTTP FVA – Rentals	VII	-	-	-	-	-	-	-	-	-	-	-	-
Fibre rollout funding	VIII	-	-	-	-	-	-	-	-	-	-	-	-
Changes due to Errors Corrected in Prior Year Comparatives		-	4	3	1	1	9	(15)	11	20	(4)	1	(7)
Total changes		(100)	1	1	-	(1)	(99)	548	121	22	8	1	44
2018/19 as restated		-	90	87	4	53	234	4,279	21,378	21,612	(5,066)	1	20,146

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

Impact of Changes on Mean Capital Employed (MCE)

	Reference to 4.1.4 Methodology changes and 4.1.5 Errors Corrected in Prior Year Comparatives	Physical Infrastructure Access Market		Business Connectivity Markets							Narrowband Markets			Total Openreach SMP Markets	Openreach Residual	Eliminations	Total Openreach
		Wholesale Local Access Markets	WLA	Low Bandwidth CISBO Rest of UK	Low Bandwidth CISBO Combined Geographic	CI Access Services – BT Only Areas	CI Access services – BT + 1	High Network Reach Areas Outside CLA	Technical Areas (Non-Dark Fibre) Inter Exchange	Technical Areas (Dark Fibre) Inter Exchange	WFAEL	ISDN2	ISDN30				
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
2018/19 as originally published		-	6,077	1,980	63	-	-	-	-	-	4,518	125	195	12,958	801	-	13,759
CCN Methodologies																	
Market definition changes																	
Change of market structure for the Business Connectivity Markets	I	-	-	(1,980)	(63)	1,494	403	39	408	-	-	-	-	301	(301)	-	-
Deregulation of the TISBO market	II	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes to ISDN reporting	III	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reporting of the Physical Infrastructure Access Market	IV	4,859	(1,983)	-	-	(300)	(47)	(6)	(182)	-	(1,910)	(44)	(24)	363	(320)	-	43
Market definition changes		4,859	(1,983)	(1,980)	(63)	1,194	356	33	226	-	(1,910)	(44)	(24)	664	(621)	-	43
Methodology Changes proposed by Ofcom																	
Access Locate	V	-	(14)	-	-	7	2	-	5	-	-	-	-	-	-	-	-
EE integration costs	VI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Access Fibre valuation	VII	-	-	-	-	(82)	(23)	(2)	(1)	-	-	-	(10)	(118)	(10)	-	(128)
ECCs decapitalisation	VIII	-	-	-	-	(216)	(90)	(10)	-	-	-	-	-	(316)	(152)	-	(468)
Repayment Works	IX	-	(99)	-	-	(36)	(5)	-	(14)	-	(158)	(3)	(2)	(317)	296	-	(21)
Methodology Changes proposed by Ofcom		-	(113)	-	-	(327)	(116)	(12)	(10)	-	(158)	(3)	(12)	(751)	134	-	(617)
Methodology changes proposed by BT																	
WLA Tie Cables	XI	-	(2)	-	-	-	-	-	-	-	(3)	-	-	(5)	-	-	(5)
Openreach Service Centre costs	XII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Openreach Project Services	XV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group PAC methodology	XVIII	-	1	-	-	-	-	-	-	-	(1)	-	-	-	-	-	-
SOGEA and G Fast Services	XIX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of WLR/MPF Enhanced Care SML2 costs	XX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Cablelink cost allocations	XXI	-	-	-	-	(4)	1	-	(1)	-	-	-	-	(4)	4	-	-
Copper CCA separation	XXIV	(1)	(1)	-	-	-	-	-	-	-	2	-	-	-	-	-	-
Access Fibre allocation	XXV	-	(212)	-	-	128	38	6	-	-	-	-	10	(30)	27	-	(3)
Interexchange Fibre allocation	XXVI	-	312	-	-	(94)	(9)	-	(77)	-	(1)	-	(2)	129	(8)	-	121
Access Fibre usage factors	XXVII	-	-	-	-	(6)	5	1	-	-	-	-	-	-	-	-	-
Methodology Changes proposed by BT		(1)	98	-	-	24	35	7	(78)	-	(3)	-	8	90	23	-	113
Cumulative non-material changes, interactions and roundings		-	-	-	-	-	(1)	-	-	-	(1)	-	1	(1)	(2)	-	(3)
Total CCN Methodologies		4,858	(1,998)	(1,980)	(63)	891	274	28	138	-	(2,072)	(47)	(27)	2	(466)	-	(464)
2018/19 RFS market figures reflecting all methodology changes		4,858	4,079	-	-	891	274	28	138	-	2,446	78	168	12,960	335	-	13,295

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

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

	Reference to 4.1.4 Methodology changes and 4.1.5 Errors Corrected in Prior Year Comparatives	Physical Infrastructure Access Market		Business Connectivity Markets							Narrowband Markets			Total Openreach SMP Markets	Openreach Residual	Eliminations	Total Openreach
		Wholesale Local Access Markets	WLA	Low Bandwidth CISBO Rest of UK	Low Bandwidth CISBO Combined Geographic	CI Access Services – BT Only Areas	CI Access services – BT + 1	High Network Reach Areas Outside CLA	Technical Areas (Non-Dark Fibre) Inter Exchange	Technical Areas (Dark Fibre) Inter Exchange	WFAEL	ISDN2	ISDN30				
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Changes due to Errors Corrected in Prior Year Comparatives																	
MPF New Provide and Other LLU Ancillaries volume mapping	I	-	-	-	-	(1)	-	-	1	-	(1)	-	(1)	(1)	(1)	-	(2)
Openreach Product Management costs	II	-	(12)	-	-	-	-	-	-	-	(4)	(1)	(1)	(18)	19	-	1
Cumulo Non NGA allocation	III	-	-	-	-	-	-	-	-	-	(1)	-	-	(1)	-	-	(1)
Excess Construction Charges (ECCs)	IV	-	-	-	-	(19)	(5)	-	-	-	-	-	-	(24)	-	-	(24)
Duct allocation bases	V	(76)	77	-	-	-	-	-	-	-	-	-	-	1	-	-	1
Ethernet main links fibre length	VI	-	(2)	-	-	1	-	-	1	-	-	-	-	-	-	-	-
FTTP FVA – Rentals	VII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fibre rollout funding	VIII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes due to Errors Corrected in Prior Year Comparatives		(76)	63	-	-	(19)	(5)	-	2	-	(6)	(1)	(1)	(43)	18	-	(25)
Total changes		4,782	(1,935)	(1,980)	(63)	872	269	28	140	-	(2,078)	(48)	(28)	(41)	(448)	-	(489)
2018/19 as restated		4,782	4,142	-	-	872	269	28	140	-	2,440	77	167	12,917	353	-	13,270

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

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

	Reference to 4.1,4 Methodology changes and 4.1.5 Errors Corrected in Prior Year Comparatives	Business Connectivity Markets Low Bandwidth TISBO	Narrowband Markets			Wholesale Broadband Access Markets WBA (Market A)	Total Rest of BT SMP Markets	Total SMP Markets	Rest of BT Residual	Total Rest of BT	Eliminations	Roundings	Total Markets
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
2018/19 as originally published		217	147	143	6	131	644	13,602	20,692	21,336	(503)	1	34,593
CCN Methodologies													
Market definition changes													
Change of market structure for the Business Connectivity Markets	I	-	-	-	-	-	-	301	-	-	-	-	-
Deregulation of the TISBO market	II	(217)	-	-	-	-	(217)	(217)	217	-	-	-	-
Changes to ISDN reporting	III	-	-	-	-	-	-	-	-	-	-	-	-
Reporting of the Physical Infrastructure Access Market	IV	-	(22)	(25)	(1)	(41)	(89)	274	(254)	(343)	300	-	-
Market definition changes		(217)	(22)	(25)	(1)	(41)	(306)	358	(37)	(343)	300	-	-
Methodology Changes proposed by Ofcom													
Access Locate	V	-	-	-	-	-	-	-	-	-	-	-	-
EE integration costs	VI	-	-	-	-	-	-	-	-	-	-	-	-
Access Fibre valuation	VII	-	-	-	-	-	-	(118)	(4)	(4)	4	-	(128)
ECCs decapitalisation	VIII	-	-	-	-	-	-	(316)	(56)	(56)	57	-	(467)
Repayment Works	IX	-	(2)	(2)	-	(4)	(8)	(325)	19	11	10	-	-
Methodology Changes proposed by Ofcom		-	(2)	(2)	-	(4)	(8)	(759)	(41)	(49)	71	-	(595)
Methodology changes proposed by BT													
WLA Tie Cables	XI	-	-	-	-	-	-	(5)	(1)	(1)	-	-	(6)
Openreach Service Centre costs	XII	-	-	-	-	-	-	-	-	-	-	-	-
Openreach Project Services	XV	-	-	-	-	-	-	-	-	-	-	-	-
Group PAC methodology	XVIII	-	-	-	-	1	1	1	(1)	-	-	-	-
SOGEA and G Fast Services	XIX	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of WLR/MPF Enhanced Care SML2 costs	XX	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Cablelink cost allocations	XXI	-	-	-	-	-	-	(4)	-	-	-	-	-
Copper CCA separation	XXIV	-	-	-	-	-	-	-	-	-	-	-	-
Access Fibre allocation	XXV	-	-	-	-	-	-	(30)	4	4	(1)	-	-
Interexchange Fibre allocation	XXVI	-	(11)	(10)	(1)	(18)	(40)	89	(85)	(125)	4	-	-
Access Fibre usage factors	XXVII	-	-	-	-	-	-	-	-	-	-	-	-
Methodology Changes proposed by BT		-	(11)	(10)	(1)	(17)	(39)	51	(83)	(122)	3	-	(6)
Cumulative non-material changes, interactions and roundings		-	-	-	-	-	-	(1)	1	1	-	-	(2)
Total CCN Methodologies		(217)	(35)	(37)	(2)	(62)	(353)	(351)	(160)	(513)	374	-	(603)
2018/19 RFS market figures reflecting all methodology changes		-	112	106	4	69	291	13,251	20,532	20,823	(129)	1	33,990

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

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

	Reference to 4.1.4 Methodology changes and 4.1.5 Errors Corrected in Prior Year Comparatives	Business Connectivity Markets Low Bandwidth TISBO	Narrowband Markets			Wholesale Broadband Access Markets WBA (Market A)	Total Rest of BT SMP Markets	Total SMP Markets	Rest of BT Residual	Total Rest of BT	Eliminations	Roundings	Total Markets
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Changes due to Errors Corrected in Prior Year Comparatives													
MPF New Provide and Other LLU Ancillaries volume mapping	I	-	-	1	-	-	1	-	1	2	-	-	-
Openreach Product Management costs	II	-	-	-	-	-	-	(18)	-	-	-	(1)	-
Cumulo Non NGA allocation	III	-	-	-	-	-	-	(1)	1	1	-	-	-
Excess Construction Charges (ECCs)	IV	-	-	-	-	-	-	(24)	-	-	-	-	(24)
Duct allocation bases	V	-	-	-	-	-	-	1	1	1	-	-	2
Ethernet main links fibre length	VI	-	-	-	-	-	-	-	-	-	-	-	-
FTTP FVA – Rentals	VII	-	-	-	-	-	-	-	-	-	-	-	-
Fibre rollout funding	VIII	-	-	-	-	-	-	-	-	-	-	-	-
Changes due to Errors Corrected in Prior Year Comparatives		-	-	1	-	-	1	(42)	3	4	-	(1)	(22)
Total changes		(217)	(35)	(36)	(2)	(62)	(352)	(393)	(157)	(509)	374	(1)	(625)
2018/19 as restated		-	112	107	4	69	292	13,209	20,535	20,827	(129)	-	33,968

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

4.1.4 Methodology changes

The impacts of material methodology changes as defined by Ofcom (i.e. resulting in a change, be it positive or negative, of any figure in the RFS which exceeds the higher of 5% or £1m) on 2019/20 results are detailed in the tables: Impact of Changes on Revenue, Impact of Changes on Operating Costs and Impact of Changes on Mean Capital Employed on pages 154 to 159. The impact of these methodology changes on 2018/19 results can also be found on pages 138 to 149.

Market definition changes

I. *Change of market structure for the Business Connectivity markets*

Ofcom's RFR statement (12 July 2019) and the BCMR (28 June 2019) redefined the Business Connectivity markets and directed changes to:

- a) Differentiate services based on product type and the presence of alternative providers in the proximity of exchanges, rather than solely geographical locations as was previously the case; and
- b) Identify a single product market covering all bandwidths.

See CCN 2020, reference 3.01.

II. *Deregulation of the Traditional Interface Symmetric Broadband Origination (TISBO) market*

Ofcom's PIMR and BCMR statement (28 June 2019) directed the deregulation of low bandwidth TI services throughout the UK. See CCN 2020, reference 3.02.

III. *Changes to ISDN reporting*

Ofcom's NMR Final Statement (30 November 2017) directed us to report ISDN Circuit Connections, ISDN30 DDI Connections, and ISDN30 DDI Planning services under 'Other ISDN' published services.

We also made the following immaterial revenue methodology revisions due to changes in available evidence:

- a) ISDN transfer volumes and revenues are now split between 'pre' and 'post' December 2018 services; and
- b) Service Level Guarantee (SLG) revenues are now allocated to the 'post' December 2018 ISDN services.

See CCN 2020, reference 3.03.

IV. *Reporting of the Physical Infrastructure Access market*

Ofcom's RFR statement (12 July 2019) directed us to provide performance summary by market or technical area. Ofcom's PIMR statement (28 June 2019) provides further details in relation to this.

Ofcom also directs us to use three new published services; Physical Infrastructure for Active Services, PIA Rentals, and PIA Ancillary Charges. See CCN 2020, reference 3.04.

The impact of this methodology change varies to that shown in the CCN. This is due to an update in our estimates. Consequently we have revised our impacts on revenue, cost and MCE between PIA and the downstream Openreach markets.

Methodology changes directed by Ofcom

V. *Access Locate*

Ofcom's RFR statement (12 July 2019) directed us to report financial information, including the Accommodation Services sub basket (including Access Locate Services but excluding Access Locate Plus), in the Market/Technical Area Summary. See CCN 2020, reference 3.05.

VI. *EE Integration costs*

Ofcom's RFR statement (12 July 2019) directed any transactional or integration costs in relation to the acquisition and integration of EE be allocated to Rest of BT Residual. See CCN 2020, reference 3.06.

VII. *Access Fibre valuation*

Ofcom's RFR statement (12 July 2019) directed us to no longer apply an indexation to its CCA methodology for Access Fibre. See CCN 2020, reference 3.07.

VIII. *ECCs decapitalisation*

Ofcom's RFR statement (12 July 2019) directed all costs attributed to Excess Construction Charges (ECCs) to be expensed. See CCN 2020, reference 3.08.

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

IX. *Repayment Works*

Ofcom's RFR statement (12 July 2019) directed us 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. See CCN 2020, reference 3.09.

X. *Network Adjustments*

Ofcom's RFR statement (12 July 2019) directed us to identify Network Adjustment costs both above and below 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 below the financial limit are capitalised within the PIA market and attributed to all network access services that use the physical infrastructure. Network adjustment costs above the financial limit are treated as operating cost in the PIA market and the recovery of these costs for third parties (if external) are treated as operating income in the PIA market.

Ofcom directed us to decapitalise network adjustments above the financial limit in the PIA market but permits BT to recapitalise them in the downstream markets. See CCN 2020, reference 3.10.

Methodology changes proposed by BT

XI. *WLA Tie Cables*

We changed our methodology used to calculate WLA Tie Cable installation costs. The opening current year balance is now equal to the prior year closing balance. See CCN 2020, reference 3.11.

XII. *Openreach Service Centre costs*

Openreach Service Centre costs are now allocated to products and markets based on a survey of Full Time Equivalents (FTEs) that work with copper planning, surveying and service engineering optimisation. The FTEs primarily work on products within WFAEL and WLA markets. See CCN 2020, reference 3.12.

XIII. *WLR Amendment Service*

Openreach service centre and development component costs are now allocated to Wholesale Line Rental (WLR) amendment services in the WFAEL market. See CCN 2020, reference 3.13.

XIV. *WACC rates*

We have reviewed the WACC rates, which are based on the relevant market reviews published by Ofcom, and have updated a small number of Activity Group (AG) and Plant Group (PG) classifications in line with the latest Ofcom market review guidance. See CCN 2020, reference 3.14.

XV. *Openreach Project Services*

We have made changes to the Openreach Project Services component cost allocation. We are using an updated Operating Unit Cost (OUC) mapping within the Openreach Fibre and Network Delivery unit. We are also using FTE analysis to allocate some of these OUC costs to Ethernet Provision services. See CCN 2020, reference 3.15.

XVI. *Insurance Premium costs*

As a result of the consolidation of Business Public Sector (BPS) and Wholesale and Ventures (WAV) into Enterprise last year (1 July 2019), the data used for the allocation of Insurance Premium Costs is no longer available at the sub-unit (BPS and WAV) level of granularity. We now allocate these costs to Enterprise using AG406 (Enterprise Pay Cost). See CCN 2020, reference 3.16.

XVII. *GVF data availability*

We have changed the volume data used for the allocation of 21CN capital costs to PGs. As the GVF system no longer captures actual group volumes at a granular level for products, we have used 2018/19 actual volumes instead. However, we were able to obtain and use 2019/20 actual group volumes from an alternative, reliable source for some specific products. See CCN 2020, reference 3.17.

XVIII. *Group PAC methodology*

We have changed our allocation methodology for security (OUCs VR, VU, VL, VN, and VP) and technology (OUC TNQ and TLB) costs that were allocated using Group Previously Allocated Costs (PAC) methodology. These are now allocated to Rest of BT Residual. See CCN 2020, reference 3.18.

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

XIX. *SOGEA and G Fast Services*

SOGEA is a new product launched in late 2019/20. We have created new services for SOGEA and are allocating costs and MCE from existing components.

We have also changed our methodology for G Fast services by allocating costs and MCE from existing components. We are also now including these services in the calculation of EOI for WBA services. See CCN 2020, reference 3.19.

XX. *Allocation of WLR/MPF Enhanced Care SML2 costs*

We have changed our methodology for WLR/MPF Enhanced Care Service Maintenance Level 2 (SML2) cost allocation by using more detailed data now available relating to how Openreach engineers spend their time. See CCN 2020, reference 3.20.

XXI. *Ethernet Cablelink cost allocations*

We have made the following changes to our cost allocation methodology for Ethernet Cablelink services:

- a) Allocate network costs to Ethernet Cablelink services based on more granular COW and capital employed data provided by Openreach
- b) Allocate SLG costs for Ethernet and WFAEL services based on revenue, rather than volume. This excludes Cablelink services, as these do not attract SLGs.

See CCN 2020, reference 3.21.

XXII. *IFRS 16 implementation*

IFRS 16 is a new accounting standard for leases under which a right-of-use (RoU) asset and offsetting liability is recognised for all leases, including operating leases for buildings.

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 lease liability over one year for property leases in our asset base. See CCN 2020, reference 3.22.

XXIII. *BT Fleet sale*

We have made the following changes to attributions as a result of the sale of BT Fleet to the Aurelius Group (now rebranded as Rivus Fleet Solutions Ltd) in September 2019:

- a) Specialist vehicles that were transferred to Openreach, are now wholly allocated through AG407 (Openreach Operations Pay) to reflect the use by Openreach engineers, rather than via AG101 (Motor Vehicles); and
- b) RoU assets, depreciation, current liabilities and associated interest costs relating to BT's leasing of non-specialist vehicles from Rivus Fleet Solutions Ltd are now allocated via AG101 (Motor Vehicles) in line with operational costs recharged to CFUs.

See CCN 2020, reference 3.23.

XXIV. *Copper CCA separation*

We have improved our methodology for Local Distribution Copper (LDC) and Local Main/Exchange Copper (LMC) CCA calculations. These are now performed on a separate COW level, as this reflects the different amount of spend over the years. Previously, this calculation used to be performed at an aggregated level and then split back based on in year depreciation. See CCN 2020, reference 3.24. The original estimate to costs and MCE for WLA and WFAEL have been updated since the CCN.

XXV. *Access Fibre allocation*

We have made the following methodology changes to how we allocate Access Fibre costs:

- a) BDUK funded assets
 - These are now removed from the calculation of Access Fibre Spine Cable (LFSC) and Fibre Distribution Cable (LFDC) cost allocations, as BDUK funded assets are allocated separately via BDUK components and so should not be included in calculating the allocation of non-BDUK assets.
- b) Spine Fibre:
 - Where multiple distribution cables are 'chained' together, and only one is directly interfacing with the Spine network, we now only include that first cable segment when calculating our allocation of Spine Fibre costs; and

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

- The logic used to map fibre nodes to Next Generation Access (NGA) FTTC and NGA FTTP now includes additional tags.

See CCN 2020, reference 3.25

XXVI. *Interexchange Fibre allocation*

We have changed our attribution methodology for Interexchange fibre and duct costs and MCE to now allocate a share to FTTC and FTTP services in line with the usage of these assets. See CCN 2020, reference 3.26. The original estimate to costs and MCE for WLA and Business Connectivity and residual markets have been updated since the CCN.

XXVII. *Access Fibre usage factors*

We have changed our methodology for the usage factors applied in the allocation of the Ethernet Access Direct Fibre, Backhaul Extension Services Fibre and Wholesale Extension Services Fibre components to Business Connectivity services. These are now based on analysis of actual inventory data rather than static historical assumptions. See CCN 2020, reference 3.27.

Methodology changes not reversed in reconciliation appendix

All of the above methodology changes are included in the restated results within these RFS. However, there are several changes which we included in our CCN which we have not reversed in the Reconciliation Report and methodology reversal results shown below on pages 154 to 159. These, and the associated rationale for them not being reversed, are discussed below.

Change of market structure for the Business Connectivity markets (CCN reference 3.01): this change was implemented as part of Ofcom's redefinition of the Business Connectivity markets, so has not been reversed.

Deregulation of the TISBO market (CCN 2020, reference 3.02); is related to Ofcom-driven deregulation of Low Bandwidth TISBO and therefore has not been reversed.

Changes to ISDN reporting (CCN 2020, reference 3.03); this change was a result of Ofcom's redefinition of the Narrowband market and change in input data, so has not been reversed.

Reporting of the PIA market (CCN 2020, reference 3.04) and Network Adjustments (CCN 2020, reference 3.10); these changes are part of Ofcom's redefinition of the PIA market and therefore has not been reversed.

WLR Amendment Service (CCN 2020, reference 3.13) and WACC rates (CCN 2020, reference 3.14); these changes had no impact on a Markets and Technical Areas Level and therefore have not been reversed.

Insurance Premium costs (CCN 2020, reference 3.16); this change was a result of a business reorganisation and on the basis that the data is no longer available, it has not been reversed.

GVF data availability (CCN 2020, reference 3.17); this change was a result of the GVF system no longer capturing actual group volumes at a granular level for products. On the basis that data is no longer available in 2019/20, it is not possible to reverse this change.

SOGEA and G Fast Services (CCN reference 3.19); part of this change relates to SOGEA, a new product launched in late 2019/20. This part of the change has not been reversed.

IFRS 16 implementation (CCN 2020, reference 3.22); this change relates to the adoption of IFRS 16, a new accounting standard for leases. IFRS 16 was implemented in BT's statutory accounting system in 2019/20 and therefore has not been reversed.

BT Fleet sale (CCN 2020, reference 3.23); this change relates to a business structure reorganisation and therefore has not been reversed.

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

Reconciliation statement impacts

Impact of Methodology Changes on Revenue

	Reference to 4.1.4 Methodology changes	Physical Infrastructure Access Market	Wholesale Local Access Markets	Business Connectivity Markets						Narrowband Markets			Total Openreach SMP Markets	Openreach Residual	Eliminations	Total Openreach
		WLA	CI Access Services – BT Only Areas	CI Access services – BT+1	High Network Reach Areas Outside CLA	Technical Areas (Non-Dark Fibre) Inter Exchange	Technical Areas (Dark Fibre) Inter Exchange	WFAEL	ISDN2	ISDN30						
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
2020 published RFS		604	2,434	400	154	19	155	0	1,556	64	115	5,501	212	(573)	5,140	
Access Locate	V	-	7	(4)	(1)	-	(2)	-	-	-	-	-	-	-	-	
EE integration costs	VI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Access Fibre valuation	VII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ECCs decapitalisation	VIII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repayment Works	IX	27	-	-	-	-	-	-	-	-	-	27	-	(27)	-	
WLA Tie Cables	XI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Openreach Service Centre costs	XII	3	-	-	-	-	-	-	-	-	-	3	-	(3)	-	
Openreach Project Services	XV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Group PAC methodology	XVIII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SOGEA and G Fast Services	XIX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Allocation of WLR/MPF Enhanced Care SML2 costs	XX	1	-	-	-	-	-	-	-	-	-	1	-	(1)	-	
Ethernet Cablelink cost allocations	XXI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Copper CCA separation	XXIV	(3)	-	-	-	-	-	-	-	-	-	(3)	-	3	-	
Access Fibre allocation	XXV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interexchange Fibre allocation	XXVI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Access Fibre usage factors	XXVII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cumulative non-material changes, interactions and roundings		-	-	-	1	1	-	-	-	-	-	2	-	-	2	
2020 RFS using 2019 methodologies		632	2,441	396	154	20	153	0	1,556	64	115	5,531	212	(601)	5,142	

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

Reconciliation statement impacts (continued)

Impact of Methodology Changes on Revenue

	Reference to 4.1.4 Methodology changes	Business Connectivity Markets Low Bandwidth TISBO	Narrowband Markets			Wholesale Broadband Access Markets WBA (Market A)	Total Rest of BT SMP Markets	Total SMP Markets	Rest of BT Residual	Total Rest of BT	Eliminations	Roundings	Total Markets
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
2020 published RFS		-	119	8	5	127	259	5,760	22,265	22,524	(4,759)	-	22,905
Access Locate	V	-	-	-	-	-	-	-	-	-	-	-	-
EE integration costs	VI	-	-	-	-	-	-	-	1	1	(1)	-	-
Access Fibre valuation	VII	-	-	-	-	-	-	-	-	-	-	-	-
ECCs decapitalisation	VIII	-	-	-	-	-	-	-	-	-	-	-	-
Repayment Works	IX	-	-	-	-	-	-	27	-	-	-	-	-
WLA Tie Cables	XI	-	-	-	-	-	-	-	-	-	-	-	-
Openreach Service Centre costs	XII	-	-	-	-	-	-	3	-	-	-	-	-
Openreach Project Services	XV	-	-	-	-	-	-	-	-	-	-	-	-
Group PAC methodology	XXVIII	-	-	-	-	-	-	-	1	1	(1)	-	-
SOGEA and G Fast Services	XIX	-	-	-	-	-	-	-	(9)	(9)	9	-	-
Allocation of WLR/MPF Enhanced Care SML2 costs	XX	-	-	-	-	-	-	1	-	-	-	-	-
Ethernet Cablelink cost allocations	XXI	-	-	-	-	-	-	-	-	-	-	-	-
Copper CCA separation	XXIV	-	-	-	-	-	-	(3)	1	1	(1)	-	-
Access Fibre allocation	XXV	-	-	-	-	-	-	-	-	-	-	-	-
Interexchange Fibre allocation	XXVI	-	-	-	-	-	-	-	5	5	(5)	-	-
Access Fibre usage factors	XXVII	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative non-material changes, interactions and roundings		-	-	-	-	-	-	2	(1)	(1)	-	-	1
2020 RFS using 2019 methodologies		-	119	8	5	127	259	5,790	22,263	22,522	(4,758)	-	22,906

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

Reconciliation statement impacts

Impact of Methodology Changes on Operating Costs

	Reference to 4.1.4 Methodology changes	Physical Infrastructure Access Market		Business Connectivity Markets						Narrowband Markets			Total Openreach SMP Markets	Openreach Residual	Eliminations	Total Openreach
		Wholesale Local Access Markets	WLA	CI Access Services – BT Only Areas	CI Access services – BT+1	High Network Reach Areas Outside CLA	Technical Areas (Non-Dark Fibre) Inter Exchange	Technical Areas (Dark Fibre) Inter Exchange	WFAEL	ISDN2	ISDN30					
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
2020 published RFS		253	2,092	371	125	14	86	0	1,216	36	77	4,270	103	(573)	3,800	
Access Locate	V	-	6	(3)	(1)	-	(2)	-	-	-	-	-	1	-	1	
EE integration costs	VI	-	1	-	-	-	-	-	-	-	-	1	-	-	1	
Access Fibre valuation	VII	-	(25)	8	2	-	-	-	(1)	-	1	(15)	1	1	(13)	
ECCs decapitalisation	VIII	-	1	(17)	(6)	(1)	-	-	1	-	-	(22)	(64)	-	(86)	
Repayment Works	IX	9	14	4	1	-	3	-	19	1	-	51	(26)	(28)	(3)	
WLA Tie Cables	XI	-	(17)	-	-	-	-	-	-	-	-	(17)	-	-	(17)	
Openreach Service Centre costs	XII	3	(7)	6	2	-	-	-	(5)	-	1	-	2	(3)	(1)	
Openreach Project Services	XV	-	3	(2)	(1)	-	(1)	-	2	-	-	1	-	-	1	
Group PAC methodology	XVIII	-	2	1	-	-	-	-	1	-	-	4	1	-	5	
SOGEA and G Fast Services	XIX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Allocation of WLR/MPF Enhanced Care SML2 costs	XX	1	10	1	-	-	-	-	(13)	-	-	(1)	-	(1)	(2)	
Ethernet Cablelink cost allocations	XXI	-	-	5	-	-	(3)	-	-	-	-	2	(2)	-	-	
Copper CCA separation	XXIV	(3)	7	-	-	-	-	-	(8)	-	-	(4)	-	3	(1)	
Access Fibre allocation	XXV	-	42	(33)	(8)	(2)	-	-	2	-	(3)	(2)	1	1	-	
Interexchange Fibre allocation	XXVI	-	(64)	23	2	-	18	-	(3)	-	-	(24)	1	-	(23)	
Access Fibre usage factors	XXVII	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cumulative non-material changes, interactions and roundings		-	(1)	-	1	-	1	-	(1)	(1)	1	-	-	(1)	(1)	
2020 RFS using 2019 methodologies		263	2,064	364	117	11	102	0	1,210	36	77	4,244	18	(601)	3,661	

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

Reconciliation statement impacts (continued)

Impact of Methodology Changes on Operating Costs

	Reference to 4.1.4 Methodology changes	Business Connectivity Markets Low Bandwidth TISBO	Narrowband Markets			Wholesale Broadband Access Markets WBA (Market A)	Total Rest of BT SMP Markets	Total SMP Markets	Rest of BT Residual	Total Rest of BT	Eliminations	Roundings	Total Markets
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
2020 published RFS		-	81	86	4	42	213	4,483	20,546	20,759	(4,823)	1	19,737
Access Locate	V	-	-	-	-	-	-	-	-	-	(1)	-	-
EE integration costs	VI	-	-	-	-	-	-	1	-	-	(1)	-	-
Access Fibre valuation	VII	-	-	-	-	-	-	(15)	-	-	-	-	(13)
ECCs decapitalisation	VIII	-	-	-	-	-	-	(22)	3	3	65	-	(18)
Repayment Works	IX	-	-	-	-	-	-	51	3	3	-	-	-
WLA Tie Cables	XI	-	-	-	-	-	-	(17)	-	-	-	-	(17)
Openreach Service Centre costs	XII	-	-	-	-	-	-	-	1	1	-	-	-
Openreach Project Services	XV	-	-	-	-	-	-	1	(1)	(1)	-	-	-
Group PAC methodology	XXVIII	-	-	-	-	-	-	4	(4)	(4)	(1)	-	-
SOGEA and G Fast Services	XIX	-	-	-	-	-	-	-	(8)	(8)	8	-	-
Allocation of WLR/MPF Enhanced Care SML2 costs	XX	-	-	-	-	-	-	(1)	2	2	-	-	-
Ethernet Cablelink cost allocations	XXI	-	-	-	-	-	-	2	-	-	-	-	-
Copper CCA separation	XXIV	-	-	-	-	-	-	(4)	2	2	(1)	-	-
Access Fibre allocation	XXV	-	-	-	-	-	-	(2)	-	-	-	-	-
Interexchange Fibre allocation	XXVI	-	2	2	1	2	7	(17)	21	28	(5)	-	-
Access Fibre usage factors	XXVII	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative non-material changes, interactions and roundings		-	-	1	-	1	2	2	1	3	-	(1)	1
2020 RFS using 2019 methodologies		-	83	89	5	45	222	4,466	20,566	20,788	(4,759)	-	19,690

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

Reconciliation statement impacts

Impact of Methodology Changes on MCE

	Reference to 4.1.4 Methodology changes	Physical Infrastructure Access Market	Wholesale Local Access Markets	Business Connectivity Markets					Narrowband Markets			Total Openreach SMP Markets	Openreach Residual	Eliminations	Total Openreach
		£m	WLA £m	CI Access Services – BT Only Areas £m	CI Access services – BT+1 £m	High Network Reach Areas Outside CLA £m	Technical Areas (Non-Dark Fibre) Inter Exchange £m	Technical Areas (Dark Fibre) Inter Exchange £m	WFAEL £m	ISDN2 £m	ISDN30 £m				
2020 published RFS		4,939	4,814	867	281	29	146	0	2,383	67	168	13,694	441	-	14,135
Access Locate	V	-	11	(5)	(2)	-	(4)	-	-	-	-	-	-	-	-
EE integration costs	VI	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Access Fibre valuation	VII	-	(15)	94	30	2	-	-	-	-	12	123	13	-	136
ECCs decapitalisation	VIII	-	-	247	111	15	-	-	-	-	-	373	(16)	-	357
Repayment Works	IX	257	27	9	-	-	9	-	55	1	-	358	(329)	-	29
WLA Tie Cables	XI	-	2	-	-	-	-	-	-	-	-	2	-	-	2
Openreach Service Centre costs	XII	-	(1)	-	-	-	-	-	1	-	-	-	-	-	-
Openreach Project Services	XV	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group PAC methodology	XVIII	(1)	(4)	-	-	-	-	-	-	-	-	(5)	-	-	(5)
SOGEA and G Fast Services	XIX	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of WLR/MPF Enhanced Care SML2 costs	XX	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Cablelink cost allocations	XXI	-	-	8	(2)	(1)	-	-	-	-	-	5	(5)	-	-
Copper CCA separation	XXIV	(1)	3	-	-	-	-	-	(2)	-	-	-	-	-	-
Access Fibre allocation	XXV	(4)	189	(135)	(28)	(6)	-	-	-	-	(14)	2	4	-	6
Interexchange Fibre allocation	XXVI	-	(55)	22	2	-	18	-	-	-	1	(12)	-	-	(12)
Access Fibre usage factors	XXVII	-	-	6	(5)	(1)	-	-	-	-	-	-	-	-	-
Cumulative non-material changes, interactions and roundings		-	2	(2)	-	-	-	-	1	-	1	2	(1)	-	1
2020 RFS using 2019 methodologies		5,190	4,973	1,111	387	38	169	0	2,438	68	168	14,542	107	-	14,649

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

Reconciliation statement impacts

Impact of Methodology Changes on MCE

	Reference to 4.1.4 Methodology changes	Business Connectivity Markets Low Bandwidth TISBO	Narrowband Markets			Wholesale Broadband Access Markets WBA (Market A)	Total Rest of BT SMP Markets	Total SMP Markets	Rest of BT Residual	Total Rest of BT	Eliminations	Roundings	Total Markets
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
2020 published RFS		-	115	123	5	56	299	13,993	23,036	23,335	(114)	-	37,356
Access Locate	V	-	-	-	-	-	-	-	-	-	-	-	-
EE integration costs	VI	-	-	-	-	-	-	-	-	-	-	-	-
Access Fibre valuation	VII	-	-	-	-	-	-	123	5	5	-	-	141
ECCs decapitalisation	VIII	-	-	-	-	-	-	373	53	53	114	-	524
Repayment Works	IX	-	1	1	-	1	3	361	(31)	(28)	(1)	-	-
WLA Tie Cables	XI	-	-	-	-	-	-	2	-	-	-	-	2
Openreach Service Centre costs	XII	-	-	-	-	-	-	-	-	-	-	-	-
Openreach Project Services	XV	-	-	-	-	-	-	-	-	-	-	-	-
Group PAC methodology	XXVIII	-	-	-	-	(2)	(2)	(7)	7	5	-	-	-
SOGEA and G Fast Services	XIX	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of WLR/MPF Enhanced Care SML2 costs	XX	-	-	-	-	-	-	-	-	-	-	-	-
Ethernet Cablelink cost allocations	XXI	-	-	-	-	-	-	5	-	-	-	-	-
Copper CCA separation	XXIV	-	-	-	-	-	-	-	-	-	-	-	-
Access Fibre allocation	XXV	-	-	-	-	-	-	2	(6)	(6)	-	-	-
Interexchange Fibre allocation	XXVI	-	2	2	-	2	6	(6)	6	12	-	-	-
Access Fibre usage factors	XXVII	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative non-material changes, interactions and roundings		-	(1)	-	-	-	(1)	1	-	(1)	-	-	-
2020 RFS using 2019 methodologies		-	117	126	5	57	305	14,847	23,070	23,375	(1)	-	38,023

Appendix 4 – Reconciliation Report – Impact of Methodology Changes and Errors

4.1.5 Errors Corrected in Prior Year Comparatives

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

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

The impact of correcting these errors on the 2018/19 results are detailed in the tables: Impact of Changes on Revenue, Impact of Changes on Operating Costs and Impact of Changes on Mean Capital Employed on pages 138 to 149.

The errors identified in the 2019 RFS are detailed below:

I. MPF New Provide and Other LLU Ancillaries volume mapping

An error was identified in the mapping of product volume and price data used in the allocation of revenue between published services; Other LLU Ancillaries Baskets and MPF New Provide. This error was identified during routine process reviews.

II. Openreach Product Management costs

An error was identified in the allocation of Openreach Product Management costs, whereby the volumes and revenues used to drive the allocation were not updated for final figures. This error was identified during routine process reviews.

III. Cumulo Non-NGA allocation

An error was identified in the input data used to calculate the allocation of Cumulo costs between Non-NGA Openreach and Non-NGA Enterprise. This error was identified during routine process reviews.

IV. Excess Construction Charges (ECCs)

An error was identified in the of depreciation and MCE adjustment calculations required for ECCs, whereby the calculations were not updated correctly. This error was identified during routine process reviews.

V. Duct allocation bases

Errors were identified in the formulae used to calculate duct allocation bases, whereby adjustments to remove BDUK assets were not functioning correctly. These errors were identified during routine process reviews.

VI. Ethernet main links fibre length

An error was identified in the allocation of inter-exchange fibre costs, whereby the calculation for Ethernet main links fibre length did not apply a route factor to radial distance in order to calculate route fibre lengths. This error was identified during routine process reviews.

VII. FTTP FVA – Rentals

An error was identified in a data input, whereby the volumes for FTTP FVA rentals were overstated for 2018/19. This error was identified during routine process reviews.

VIII. Fibre rollout funding

An error was identified in the mapping of short-term funding for the BDUK Development Programme, whereby a portion was not allocated to plant group PG998A (Fibre Rollout Funding). This error was identified during routine process reviews.

Glossary and Footnotes List

Glossary and Footnotes List

Glossary

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

Glossary and Footnotes List

FTE	Full Time Equivalents	LMC	Local Main/Exchange Copper
FTTC	Fibre To The Cabinet	LRIC	Long Run Incremental Cost
FTTP	Fibre To The Premises	m	Metres
Gbps	Gigabits per second	MDF	Main Distribution Frame
GEA	Generic Ethernet Access	MCE	Mean Capital Employed is defined as total assets less current liabilities, excluding corporate taxes and dividends payable, and provisions other than those for deferred taxation. The mean is computed from the start and end values for the period.
GRC	Gross Replacement Cost	Mbps	Mega Bits Per Second
HCA	Historical Cost Accounting	mm	Millions of Minutes
HNR	High Network Reach	MPF	Metallic Path Facilities
IAS	International Accounting Standards	MSAN	Multi Service Access Node
IASB	International Accounting Standards Board	MSE	Multi Service Edge
IBC	Intra-Building Circuit	NMR	Narrowband Market Review
IC	Interconnect Circuits	n/a	Not Applicable.
IEC	Interconnection Extension Circuit	NGA	Next Generation Access
IFRS	International Financial Reporting Standard	NRC	Net Replacement Costs
IP	Internet Protocol	NTE	Network Terminating Equipment
ISDN	Integrated Services Digital Network	OCM	Operating Capability Maintenance
Kbps	Kilobits Per Second	Ofcom	Office of Communications
km	Kilometres	OR	Openreach
LA	Local Access	OUC	Operating Unit Cost
LDC	Local Distribution Copper	OSA	Optical Spectrum Access
Le	Local ends	PAC	Previously Allocated Costs
LFDC	Local Fibre Distribution Cable	PCP	Primary Cross Connection Point
LFSC	Local Access Fibre Spine Cable	PDH	Plesiochronous Digital Hierarchy
Line	No. of Lines		
LLU	Local Loop Unbundling		

Glossary and Footnotes List

PG	Plant Group	Usage Factors	Usage Factors refer to the usage of any network component, including conveyance components.
PIA	Physical Infrastructure Access	WACC	Weighted Average Cost of Capital
PIMR	Physical Infrastructure Market Review	WAV	Wholesale and Ventures
ppm	Pence Per Minute	WBA	Wholesale Broadband Access
RAM	Regulatory Accounting Methodology	WBAMR	Wholesale Broadband Access Market Review
RAP	Regulatory Accounting Principles	WBC	Wholesale Broadband Connect
RAV	Regulatory Asset Valuation	WCR	Wholesale Calls Review
RFR	Regulatory Financial Reporting	WFAEL	Wholesale Fixed Analogue Exchange Lines
RFS	Regulatory Financial Statements	WFTMR	Wholesale Fixed Telecoms Market Review
ROCE	Return on Capital Employed	WLA	Wholesale Local Access
RoU	Right-of-use	WLAMR	Wholesale Local Access Market Review
RoUK	Rest of United Kingdom	WLR	Wholesale Line Rental
RPI	Retail Price Index	0	A numerical value of between <£0.5m and >£(0.5)m
SDH	Synchronous Digital Hierarchy	<1	A numerical value of below £1m
SFBB	Super Fast Broadband		
SIP	Session Initiation Protocol		
SLG	Service Level Guarantees		
SML	Service Maintenance Level		
SMP	Significant Market Power		
SMPF	Shared Metallic Path Facilities		
TI	Traditional Interface		
TISBO	Traditional Interface Symmetric Broadband Origination		
TRC	Time Related Charges		
Use	The proportional bandwidth use of each circuit		

Glossary and Footnotes List

Footnotes

- (a) ppm = pence per minute; £/2Mbit cct = £ per 2 Mbps circuit; £/km = £ per kilometre; £/100m = £ per 100 metres; £/trans = £ per transaction; £/circuit = £ per circuit; £/ hostel rental = £ per hostel rental; % = % utilisation; £/line = £ per line; £/room = £ per room; £/cable = £ per cable; £/link = £ per link; £/eq = £ per equipment units; £/le = £ per local end; £/conn = £ per connection; £/channel = £ per channel; £/fibre km = £ per fibre km.
- (b) See Section 2 - Basis of Preparation and Appendix 4 for explanation of restatement.
- (sx) This service comprises a number of individual prices as indicated by the value of x.
- (ux) This service comprises a number of individual volume types as indicated by the value of x.

Additional Information

Additional Information

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

Shareholder helpline

Tel: Freephone 0808 100 4141

Fax: 01903 833371

Textphone: Freephone 0800 169 6907

From outside the UK:

Tel: +44 121 415 7178

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

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

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



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Registered office: 81 Newgate Street, London EC1A 7AJ

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