



**Australian  
Competition &  
Consumer  
Commission**

Our ref: 58447  
Contact officer: Scott Harding  
Contact phone: 03 9658 6434

GPO Box 520  
Melbourne Vic 3001

Level 35, The Tower  
360 Elizabeth Street  
Melbourne Vic 3000

tel: (03) 9290 1800  
fax: (03) 9663 3699

[www.accc.gov.au](http://www.accc.gov.au)

22 December 2015

Ms Caroline Lovell  
Chief Regulatory Officer  
NBN Corporation Limited  
Level 11, 100 Arthur Street  
SYDNEY NSW 2000

By email: [CarolineLovell@nbnco.com.au](mailto:CarolineLovell@nbnco.com.au)  
Copy to: [MatthewCole@nbnco.com.au](mailto:MatthewCole@nbnco.com.au)

Dear Ms Lovell,

**NBN Co 2014-15 Long Term Revenue Constraint Methodology (LTRCM) – ACCC’s preliminary view pursuant to clause 1E.1.2(c)(vii) of NBN Co’s SAU**

The Australian Competition and Consumer Commission (ACCC) has formed a preliminary view pursuant to clause 1E.1.2(c)(vii) of the Special Access Undertaking (SAU) in relation to the capital and operating expenditure amounts proposed by NBN in its 2014–15 LTRCM proposal.

The ACCC’s preliminary view is that it does not intend to determine a substitute amount of capital expenditure in accordance with SAU clause 1D.3.2(d) or a substitute amount of operating expenditure in accordance with SAU clause 1E.8.2(c). In reaching this preliminary view, the ACCC has considered the regulatory information submitted by NBN Co under Schedule 1F of the SAU and other supporting documents provided by NBN Co.

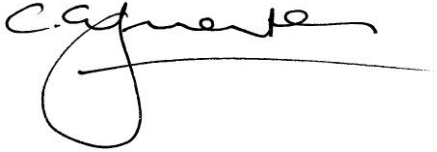
The ACCC will consult publicly on its draft LTRCM determination in accordance with the SAU and will consider submissions and other relevant information before making a final determination. The LTRCM determination will set out the values for NBN’s annual revenue requirement (ABBRR), regulated asset base (RAB) and loss capitalisation account (ICRA). The ACCC intends to commence its consultation process in early 2016.

The ACCC expects that NBN Co will provide adequate transparency during the consultation process, including access to confidential information to interested parties under appropriate confidentiality arrangements. The ACCC will be seeking further information from NBN Co on its proposed confidentiality arrangements in January to understand how information contained in NBN Co’s LTRCM proposal and supporting submission will be shared with

other parties. We will also monitor the operation of these arrangements to identify any concerns regarding the balance between appropriate disclosure and the protection of NBN Co's confidential information.

Please contact Scott Harding on (03) 9658 6434 or Kim Hollis on (07) 3835 4635 if you have any queries in regards to this matter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C. Cifuentes', with a long horizontal flourish extending to the right.

Cristina Cifuentes  
Commissioner