

## SCHEDULE 4

### Determination of 3.6 GHz lot additional prices

#### **Fourth requirement**

5.—(1) Taking the additional prices for the winning 3.6 GHz assignment stage bids together, the opportunity cost variance of those additional prices calculated in accordance with sub-paragraph (2) shall be less than the opportunity cost variance, calculated in accordance with sub-paragraph (2), of any other prices for the winning 3.6 GHz assignment stage bids that satisfy the requirements set out in paragraphs 2 to 4.

(2) The opportunity cost variance (“OCVA”) of prices mentioned in sub-paragraph (1) is the amount calculated in accordance with the formula  $OCVA = \sum(p_A - c_A)^2$  where—

- (a) “ $p_A$ ” is the price for a winning 3.6 GHz assignment stage bid; and
- (b) “ $c_A$ ” is the amount calculated in accordance with the formula set out in sub-paragraph (3) in respect of that winning 3.6 GHz assignment stage bid.

(3) The formula is  $c_A = u_A - t_A + b_A$  where—

- (a) “ $u_A$ ” is the amount calculated in accordance with sub-paragraph (4);
- (b) “ $t_A$ ” is the total amount of the winning 3.6 GHz assignment stage bids; and
- (c) “ $b_A$ ” is the amount of the winning 3.6 GHz assignment stage bid for which  $p_A$  is the price.

(4) The amount calculated in accordance with this sub-paragraph is the total amount of the valid combination of 3.6 GHz assignment stage bids or one of the valid combinations of 3.6 GHz assignment stage bids (as the case may be) having the highest total value of amounts bid where, for each 3.6 GHz assignment stage bid made by the winning bidder that submitted the winning 3.6 GHz assignment stage bid for which  $p_A$  is the price, the amount of that 3.6 GHz assignment stage bid is treated as if it were zero for the purposes of this sub-paragraph.

(5) Where the amount of a 3.6 GHz assignment stage bid is treated as if it were zero in accordance with sub-paragraph (4), that 3.6 GHz assignment stage bid shall be treated as a valid 3.6 GHz assignment stage bid for the purposes of that sub-paragraph.