Stakeholder queries on Ofcom's consultation of 31 March 2011 on charge control review for LLU and WLR services

Theme: Cumulo Rates

Stakeholder	Condoc page no.	Condoc para. ref.	Stakeholder query	Ofcom response
Sky	A56	§A8.34	Why are MPF related MCC effects "allocated on the profit weighted NRC of all rateable assets within BT's core network"?	The decrease in BT's Rateable Value was driven by a loss of value in BT's core network. Unbundling disconnects the local loop from the BT core network and therefore deprives this part of the network of the opportunity to generate value from "downstream" products, such as calls and broadband.
Sky	A57	§A8.37	It is not clear whether Ofcom is forecasting any MCC effects as a result of MPF and NGA adoption over the charge control period or not. Please confirm.	We do not have an implied RV per line. As discussed at the modelling workshop, we forecast forward aggregate Cumulo rates. We would be interested in Stakeholders view on alternative robust workable methodologies and will be revisiting the assumption when the latest valuation is available.
Talk Talk	A56	§A8.32 et seq	What is the implied ratio of RV per MPF line and per WLR line?	We do not have an implied RV per line. As discussed at the modelling workshop, we forecast forward aggregate Cumulo rates. We would be interested in Stakeholders view on alternative robust workable methodologies and will be revisiting the assumption when the latest valuation is available.

Talk Talk	A57	Fig 8.5, 8.6	Can Ofcom provide a breakdown for the change in cumulo rates in each year split by changes in rating list, MCCs from volumes, more MPF, more NGA, inflation etc. For both the BT calculation and the Ofcom calculation.	We do not have an implied RV per line. As discussed at the modelling workshop, we forecast forward aggregate Cumulo rates. We would be interested in Stakeholders view on alternative robust workable methodologies and will be revisiting the assumption when the latest valuation is available.
Talk Talk	A57	§A8.37	What future MCCs have not been incorporated and why?	We do not have an implied RV per line. As discussed at the modelling workshop, we forecast forward aggregate Cumulo rates. We would be interested in Stakeholders view on alternative robust workable methodologies and will be revisiting the assumption when the latest valuation is available.
Talk Talk	A56	§A8.34	Why is MPF MCC not 100% allocated to MPF ?	Cumulo is not calculated like this. As discussed at the modelling workshop, we forecast forward aggregate Cumulo rates and allocate to cost activities and products on a static allocation basis. We would be interested in stakeholders view on a robust alternative method of allocation.
Talk Talk	A56	§A8.34	Has NGA MCC been allocated 100% to NGA?	Cumulo is not calculated like this. As discussed at the modelling workshop, we forecast forward aggregate Cumulo rates and allocate to cost activities and products on a static allocation basis. We would be interested in stakeholders view on a robust alternative method of allocation.