Title:

Ms

Forename:

Aileen

Surname:

Boyd

Representing:

Organisation

Organisation (if applicable):

SSE plc

Additional comments:

Question 1: What are your views on Ofcom's proposed priorities for 2013/14?:

SSE is a large energy company with various interests in the communications markets. In particular, we are suppliers of retail communications products using available wholesale products and the strength of our retail brands to develop our business in this area. In this way, we are similar to other recent entrants to the market with existing strong retail brands such as supermarkets and we would like to see that Ofcom's policies and plans actively support retail competition from this direction.

From this perspective, we welcome Ofcom's first strategic purpose in promoting effective competition and the ability for customers easily to make choices and switch between competing retail offerings. This is reflected at paragraph 4.4 in Ofcom's draft priorities for 2013/14, where a need for ongoing regulation to promote competition between suppliers and support consumers in exercising choice is recognised. We fully support Ofcom's work in this area and have two comments on matters of detail.

Firstly, at paragraph 3.14, the approach to competition in residential fixed access is set out. This includes the intention to focus on competition through access to unbundled copper lines. However, there is no mention of support for the more active level wholesale product of 'wholesale line rental' (WLR) used on an equivalent basis to BT Retail (under the terms of the Undertakings) by competitors such as SSE. Over 6 million non-BT lines are provided with competitive retail offerings using WLR, according to the figures published by the Office of the Telecommunications Ombudsman and this technology can also be used by unbundling Communications Providers (CPs) in locations where it is not feasible for them to use the unbundling wholesale products. Our particular concern, shared by other WLR users, is that no successor wholesale voice product in the WLR mould is being developed for fibre to the

premises technology, as this is being rolled out, and we would look to Ofcom to address this in the appropriate market reviews.

Our second comment relates to Ofcom's work on retail switching processes. Along with many in the industry, we strongly support gaining provider led (GPL) switching processes and welcome Ofcom's commitment to this form of switching, which is the way that other similar markets (electricity, gas and water supply services) have established retail switching arrangements. In these other markets, where networks are used to deliver retail services, a framework of coordinated and independent governance is also in place to maintain and develop switching arrangements as required to cater for market and technological developments.

We would therefore urge Ofcom to be aware of the benefits of this coordinating element of switching processes as it continues its strategic work on retail switching. We note that Ofcom has already identified, in paragraph 3.61, that one of the themes of its work that cut across a number of different strategic purposes is the need to ensure that markets do not develop to entail barriers to harmonisation or coordination. Similarly, in Ofcom's review of likely develeopments in the communications markets going forward in section 2 of the consultation, it sets out potential issues on ease of switching for those customers buying closed platform devices. We agree that the nature of the fast-moving communications markets can bring challenges to smoothly operating switching processes: there have been concrete examples of this in the past where new retail products have been introduced with no preparatory consideration on how customers will switch away from these. We therefore advocate that the role of switching governance in coordination of the retail market and ability to proactively react to developing issues is explicitly addressed in Ofcom's work on switching.

Question 2: What are your views on Ofcom's proposed work areas for 2013/14?:

See comments above