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Dear Peter

### **Relaxing the restrictions on the deployment of overhead telecommunications lines**

SSE welcomes the opportunity to respond to the consultation paper above, which is part of the Government's ongoing consideration of ways to facilitate the roll-out of superfast broadband to at least 90% of households over the next few years.

As you know, SSE is a large, FTSE 100 company with its primary focus in UK energy markets, including the ownership of electricity networks, which are mentioned in the consultation. It also has a capability in communications infrastructure, having a code-operator subsidiary and, separately, a retail business providing fixed line telephony and broadband to domestic customers using available wholesale products.

Our responses to the consultation questions are attached as an appendix to this letter. Set out below are some observations on the topic of infrastructure sharing more generally.

#### Infrastructure sharing in energy markets

In the energy industries of gas and electricity, the concept of sharing infrastructure is embodied in the regulatory framework. All 'public' energy network operators, including both independent new entrants and those that are part of established vertically integrated companies, provide non-discriminatory, regulated access to their networks with transparent access pricing for suppliers of energy services. All energy suppliers can therefore readily use any public energy network to supply services to end customers connected to those networks.

Given this background, electricity distribution network operators (DNOs) are used to discussing potential use of their systems with other parties and SSE has been involved in a number of discussions with communications providers (CPs) in recent years. We are aware that BT(Openreach) has had long-standing arrangements with a number of DNOs,



as they have with ourselves, to share a substantial amount of low voltage overhead network infrastructure in order to support their 'last mile' communications access infrastructure.

#### Infrastructure sharing in communications markets

In contrast with energy, sharing of infrastructure is not widespread in the communications markets. BT has certain regulatory obligations to provide different types of wholesale access to other CPs through the intervention of Ofcom. This includes the recent obligations to provide 'passive' level access to BT ducts and poles as mentioned in the consultation paper.

Use of networks in the communications industry is more complex and multi-layered than in the case of, for example, electricity networks. However, to support the Government's vision for superfast broadband roll-out, we advocate that more consideration be given to how interconnection and access arrangements between CPs can be developed to allow one CP's retail service offering to be delivered using another CP's infrastructure. We believe that this type of infrastructure sharing within communications markets might allow greater use of initially laid superfast infrastructure by other CPs and avoid a tendency for multiple parallel access infrastructures. This would seem to be in keeping with the work of the Broadband Development UK (BDUK) project, which is encouraging a range of CPs to tender for superfast infrastructure provision in more remote areas of the country.

The development of interconnection and access arrangements along the above lines would require some information system development to coordinate aggregation of relevant traffic and to link with consumer switching mechanisms – the subject of current work by Ofcom. Use of a small proportion of the funding available for superfast roll-out on such systems is, in our view, likely to allow better value to be gained for the public money spent as differently owned infrastructures "plug in" to a logically unified network. It would also, all other things being equal, allow for a greater range of service provision to end customers attached to that new infrastructure.

#### Communications infrastructure sharing overhead electricity infrastructure

SSE fully supports the UK Government's ambition to deploy superfast broadband and is prepared to work with DCMS and CPs to enable the shared use of our electricity network infrastructure where appropriate.

Over the years we have found a growing pressure by communities against the installation of new overhead lines and the need to reduce wirescapes on amenity grounds. We would welcome infrastructure sharing by CPs to avoid adding to these wirescapes. In order to avoid a situation where multiple CPs wish to use the open-access electricity distribution networks to support multiple communications access networks whose use is restricted to individual CPs, we feel it would be in the interests of minimising wirescapes for the Government to encourage the form of communications infrastructure sharing we have discussed above. DNOs could encourage this by ensuring that infrastructure sharing contracts allow multiple CP use of initial communications infrastructure supported by the DNO network.

With regard to the specific proposals in the consultation that the possibility of sharing infrastructure should be examined by CPs proposing to install overhead networks, SSE



supports the view that potential use of the electricity distribution network should be considered where technically and commercially viable. We have already been working with CPs to see whether this is possible in any cases where CPs have approached us and, if the proposed amendment to the regulations come into force, we would work with CPs to ensure that they had all the information required to demonstrate whether or not it was possible to use any existing electricity infrastructure.

I hope these comments and the attached responses to consultation questions are helpful.

Yours sincerely

Aileen Boyd  
Regulation Manager

## Consultation Questions

1. Approximately how much of network will be built using this relaxation, and are the cost and benefit estimates in the impact assessment accurate?

**While this is primarily a question for CPs, we would observe that the much of SSE's high voltage distribution infrastructure does not carry a communications infrastructure. Looking at the impact assessment accompanying the consultation, we would not support the level of costs for overhead installation set out there as being applicable to shared high voltage infrastructure. We believe that the costing for this type of installation may be light in view of the fact that there may be a need to alter the electricity infrastructure to accommodate any optical fibre: our estimate would be that about a 50% increase on the installation cost as shown in the impact assessment would be needed as a guide.**

2. Do respondents agree that existing infrastructure should be used, if possible, before new overhead deployment can take place? Do respondents agree that communications providers should be required to demonstrate that sharing of existing infrastructure has been examined?

**We agree that existing infrastructure should be used wherever feasible. CPs should be required to demonstrate that their design scenarios have discounted shared infrastructure and the reasons for this documented.**

3. Do respondents believe that notification and consultation of planned works in local newspapers and through a qualifying body such as a Parish Councils or Neighbourhood Forums, where one exists, to be sufficient?

**Stakeholder communications are vital to the success of any rollout of broadband, in our view. In addition to the suggestions above, open public meetings are often fruitful.**

4. Do respondents believe this notification and consultation would place a significant and onerous burden on communications providers that may be planning these works? If so, what level of cost or burden is envisaged to the Communications Provider?

**No comment.**

5. We are committed to amending the Electronic Communications Code (Conditions and Restrictions) Regulations 2003 in order to relax the rules on new overhead deployment but would welcome feedback on any aspect of the proposals as to how this should be achieved outlined in the consultation.

**We note the Government's commitment to review legislation regarding infrastructure sharing every 6 months. However, we are uneasy about the prospect of extending OFCOM's powers to impose infrastructure sharing to apply also to the communications networks of DNOs. We are unclear of the Government's rationale for this, given the progress on sharing of electricity infrastructure that is discussed in the consultation. There are real issues to be considered when considering sharing of one network's infrastructure with another network supporting a completely different set of services. These include: safety; cost relative to alternatives; environmental aspects and promoting fair access to others, as touched upon in the comments in our covering letter. When considering any such extension to communications legislation, the consequential effects on operation of electricity networks need to be addressed and we would be happy to discuss this further**

whenever required. We would also like to see a greater use of infrastructure sharing within the communications sector itself, as discussed in our covering letter.

We also have a comment on the draft of relevant revised Regulations set out in annex A of the consultation. Paragraph 4(1)(c) specifies a 'nominal voltage' of "at least 6000 volts". This would effectively prevent sharing on DNO pole infrastructure operating at low voltage (230V) by CPs other than existing BT sharing. It may therefore be better to exclude this reference to a nominal voltage (or make it a maximum) when making the other proposed changes to these regulations.