

Date: 31 March 2021

Summarised RSP feed back on CPI Price Cap changes

On 17th March, Enable published our proposed 2021 Price Cap increases based on the December CPI of 1.4%. The actual CPI rate will be confirmed by CIP around mid April 2021.

During the consultation period the following summarised, general feedback was received from several RSPs.

- The actions of LFCs to not apply or defer price increases due to the Covid lockdown in 2020 was acknowledged.
- While progress has been made following Covid lockdown, some impacts on RSPs and the economy still remain.
- Any price increases will need to be passed onto consumers.
- Some RSPs will be driven to give more consideration to alternative wholesale technology inputs, especially for entry broadband consumers. RSPs will turn to where they can get best margins.
- Some RSPs are reluctant to increase their retail pricing during a period of recovery from a global pandemic.
- Businesses and residential consumers continue to face significant challenges post Covid.
- Additional costs will discourage retailers from migrating businesses and consumers to fibre and may worsen digital exclusion.
- The rate of churn on LFC network may worsen, increasing the problem of inactive ONTs.
- Recommend LFCs explore unregulated products and pricing that allow improved defence against fixed wireless.