

The role of Utility providers in the Broadband market

The rapid rise in the speed and penetration of broadband service has placed significant pressure on the infrastructure of many established telecommunication providers. With consumer demand pushing limited capacity and coverage, there is opportunity for new players to enter the market. With universal coverage, an abundance of physical resource and an understanding of service delivery, utility providers are particularly well placed to expand their portfolios into telecoms.

This presentation explains, in some detail, how a utility provider can contribute to the evolving telecommunications market. The content is based on two case studies: one involving the building of a nationwide fibre to the home network, the other covering the development of a set of commercial telecom services. In both cases, the particular focus will be on the role that utility companies can play in developing broadband and next generation networks.

The specific aim of the presentation will be to explore the market and technical options that can be used to exploit an established electricity provider's infrastructure. In doing this, a number of important factors in successful diversification will be explored.

After a brief review of the contribution that utility providers such as Energis, 186k and Enertel have made to the development of telecoms, we will explore and assess the range of potential market options for a utility company. Following this, some of the practical issues (such as rights of way, licensing and installation) and technical alternatives (such as Powerline, Wimax and fibre) needed to reach a specific market will be considered.

The two main case studies upon which the presentation will be based are from Kenya, where Intercai built the business case for the Kenya Power and Light Company to enter the telecom market, and Greece, where Intercai established a blueprint for the national electricity provider to install a fibre to the home network. In both cases, the impact on broadband provision will be highlighted.

A general conclusion from the case studies will be that utility companies can provide useful impetus to the development of next generation and broadband service but that they should enter the market with caution and be selective in their choice of services to provide.

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Mark was responsible for developing the workshop on Interconnection and Price Control for the ITU Arab Centre of Excellence. He has also delivered courses on Service Level Agreements, Next Generation Networking and Project Management in the UK, Europe and Middle East