

Change proposal:	<b>Retail Energy Code (REC) R0083: Changes to Supply Number Format for MHHS (R0083) and R0083A: Changes to Supply Number Format for MHHS (Alternative)</b>		
Decision:	The Authority <sup>1</sup> has decided to approve <sup>2</sup> R0083 and reject R0083A		
Target audience:	REC Board, REC Parties and other interested parties		
Date of publication:	17 November 2023	Implementation date:	On the date of MHHS Programme Milestone M8 <sup>3</sup>

## Background

Electricity Suppliers are required by the Electricity Supply Licence, under Standard Licence Condition (SLC) 20.4, 31G.8 and 31H.4, to provide a 'Supply Number' to each Consumer on every bill, or at least once per year where no bill has been sent. The Supply Number format is prescribed by the REC and detailed in the REC Data Specification.<sup>4</sup> The current format of the Supply Number includes:

- a top line, consisting of the Profile Class Id, Meter Timeswitch Code (MTC) and Line Loss Factor Class (LLFC) Id; and
- a bottom line, which sets out the Meter Point Administration Number (MPAN), comprising the Distributor Id, a Unique Reference number and a Check Digit.

Electricity Suppliers and Third Party Intermediaries (TPIs) use the Supply Number, including the top line information, to provide a quote to Consumers when they are looking to switch supplier. Non-domestic Consumers may use the top line information from their Supply Number

<sup>1</sup> References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

<sup>2</sup> This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989 and section 38A of the Gas Act 1986.

<sup>3</sup> The baselined MHHS Implementation Plan sets the M8 milestone date as 7 March 2025.

<sup>4</sup> The REC Data Specification can be found on the [REC Portal](#).

to determine who is suitable to be their Metering Equipment Manager if they wish to appoint them directly. For larger, non-domestic Consumers the LLFC Id also provides transparency of their applicable Distribution Use of System Charge (DUoS) tariff.

The Market-wide Half Hourly Settlement (MHHS) design is removing the use of both Profile Classes (except for legacy non-smart meters) and MTCs. It will also separate the LLFC Id to create a new Line Loss Factor (LLF) Id and Distribution Use of System Charge (DUoS) Tariff Id. A revised definition of the Supply Number format will be required so that Electricity Suppliers have a clear and common understanding of the approach to populating the Supply Number for metering points as they migrate to the new MHHS arrangements.

## **The change proposals**

In October 2022, RECCo and the Code Manager issued a consultation<sup>5</sup> seeking views on a revised approach to populating the Supply Number on Consumer bills and statements. No clear view emerged as to how the Supply Number should be changed. Consequently, in December 2022 the Code Manager raised Change Proposal R0083 and an alternative, R0083A.

R0083 proposes to maintain the existing two-line structure of the Supply Number but, within that, to change the data items in the top line. Under R0083, the top line would retain the Profile Class Id, replace Meter Timeswitch Code (MTC) with Standard Settlement Configuration<sup>6</sup> (SSC) Id and replace Line Loss Factor Configuration (LLFC) Id with DUoS Tariff Id<sup>7</sup>. These changes would come into force, for all MPANs, on the date specified for MHHS Milestone M8 'Code changes delivered'. All bills or annual statements produced from that date would have to follow the new format.

In July 2023, the Code Manager published guidance illustrating what data should be input on the top line of the Supply Number from the M8 milestone point until MPANs migrate to the new MHHS arrangements, and what top line data should be entered once they have migrated. The bottom line data entry requirements remain the same as they are now.

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<sup>5</sup> See [Changes to Supply Number Format for MHHS - REC Portal](#) for all documents relating to these Change Proposals.

<sup>6</sup> The Standard Settlement Configuration Id details the meter configuration for smart and non-smart Metering Points.

<sup>7</sup> The Distribution Use of System (DUoS) Tariff Id details the DUoS charging arrangements relevant to the Consumer, providing similar information to the current Line Loss Factor Class Id.

### ***Top line for non-migrated MPANs***

<b>Data Item</b>	<b>Guidance</b>
Profile Class Id	Populate from existing Profile Classes
SSC Id	Populate from the SSC Id valid set
DUoS Tariff Id	Populate from the LLFC Id valid set

### ***Top line for migrated MPANs***

<b>Data Item</b>	<b>Guidance</b>
Profile Class Id	Continue as currently for MPANs with a Profile Class of '02' or '04' Populate with '00' for any MPANs that do not have a Profile Class
SSC Id	Populate from the SSC Id valid set for Traditional Meters Populate with '0000' for any MPANs for which the SSC Id is not applicable
DUoS Tariff Id	Populate from the DUoS Id valid set (the same as the LLFC Id valid set)

By contrast, R0083A would completely remove the top line of the Supply Number for all MPANs on the date specified for MHHS Milestone M8 'Code changes delivered'. As with R0083, the bottom line data entry requirement would be unchanged.

The Code Manager noted that implementing either proposal on the M8 date would avoid the need for multiple releases close to the MHHS 'go-live'. The approved solution would be used during the migration period, whilst the existing industry arrangements and new MHHS requirements operate in parallel, and afterwards.

The Code Manager considered that, without R0083 or R0083A, it would not be clear to Suppliers how to comply with the Supply Number format for migrated MPANs. Providing a new format via one of these changes would enable Suppliers to populate the Supply Number in a consistent way and comply with licence and REC requirements. The Code Manager also considered that implementing either of these solutions would support the transition to MHHS.

The Code Manager noted that by removing the top line R0083A would simplify Suppliers' obligations and align them more closely with the equivalent obligations in gas. Suppliers supporting this proposal noted that the information currently contained in the top line is available in the Electricity Enquiry Service (EES).

On the other hand, in light of consultation with industry, the Code Manager noted the view put forward by some respondents (mainly Suppliers and TPIs) that removing the top line entirely could be detrimental to Consumers by removing visibility of data items that some industry participants use to generate quotes and identify suitable tariffs for Consumers. It would also remove, for larger non-domestic Consumers, a source of transparency of their DUoS charges.

The Code Manager also noted that, where organisations are not relying on bills or annual statements, the main alternative source for these data items is the EES, and that not all REC parties have access to the EES. Accordingly, the Code Manager recommended that the REC Change Panel recommend to the Authority that it reject R0083A and approve R0083.

### **REC Change Panel<sup>8</sup> recommendation**

At its meeting on 1 August 2023, the REC Change Panel voted unanimously to recommend the rejection of R0083A. A majority of the REC Change Panel considered that R0083 would better facilitate the REC Objectives and the REC Change Panel therefore recommended its approval.

### **Our decision**

We have considered the issues raised by the change proposals and the Final Change Report (FCR) dated 2 August 2023. We have also considered the responses to the industry consultation which are attached to the FCR.<sup>9</sup> We have concluded that:

- implementation of R0083 will better facilitate the achievement of the applicable Objectives of the REC;<sup>10</sup> and
- approving R0083 is consistent with our principal objective and statutory duties.<sup>11</sup>

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<sup>8</sup> The REC Change Panel is established and constituted pursuant to and in accordance with [Standard Condition 11B.8\(a\) of the Electricity Supply Licence](#) and [Standard Condition 11.8\(a\) of the Gas Supply Licence](#).

<sup>9</sup> REC change proposals, change reports and representations can be viewed on the [REC Portal](#).

<sup>10</sup> As set out in [Standard Condition 11B.6 of the Electricity Supply Licence](#) and [Standard Condition 11.6 of the Gas Supply Licence](#).

<sup>11</sup> The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Electricity Act 1989 and the Gas Act 1986.

## Reasons for our decision

We have carefully considered the respective merits of both Change Proposals. We consider that R0083 better facilitates the REC Objectives than both the status quo and R0083A. By providing a new format, Suppliers will be able to publish information in the Supply Number in a consistent manner that supports compliance with both the Supply Licence and the REC. Implementation of R0083 will support the transition to MHHS by updating the Supply Number format to align with data that will be used in the new MHHS arrangements. We recognise the attraction, in R0083A, of simplifying the Supply Number requirements in electricity such that they are more closely aligned with the position in gas. However, we believe it is important that the information Suppliers and TPIs need to offer suitable quotes and tariffs, and that businesses need to validate their invoices, remains freely available. Consequently, and in line with the Panel's recommendations, we have decided to approve R0083 and to reject R0083A.

### ***(a) to ensure the REC operates and evolves in a manner that facilitates the achievement of its mission statement<sup>12</sup>***

We consider that R0083 would have a positive impact on this objective. This is because, as noted by the Code Manager, R0083 would adjust the Supply Number format in the REC Data Specification to the new industry arrangements supporting MHHS, while minimising the impact on the existing Supply Number, which provides data to support Consumer switching.

### ***(b) to ensure customers interests and data is protected in the operation of the REC***

We consider that R0083 would have a positive impact on this objective. This is because, as noted by the Code Manager, R0083 would ensure the continued provision of data to Consumers and industry that supports Consumer switching and non-domestic Consumer business processes.

### ***(c) to drive continuous improvements and efficiencies in the operation of the REC and the central systems and communication infrastructure it governs***

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<sup>12</sup> The REC mission statement is to "facilitate the efficient and effective running of the retail energy market, including its systems and processes...through promoting innovation, competition and delivering positive Consumer outcomes".

We consider that R0083 would have a positive impact on this objective. This is because, as noted by the Code Manager, R0083 would facilitate the continued use of the Supply Number both during migration and into the future MHHS design. We agree with the Code Manager that providing clarity will help the industry prepare to migrate to the new format while preserving the effectiveness of Consumer quoting and switching arrangements.


### **Related issues**

The new Supply Number format will need to be applied in the EES. We note that these changes will be delivered through the REC MHHS project, alongside other MHHS-related consequential changes to the EES in line with MHHS Programme requirements. As noted in the FCR, close engagement between MHHS Programme and RECCo will be needed to ensure that these solutions are properly aligned. We also expect the REC Performance Assurance Board to monitor the implementation of R0083 carefully to ensure it does not have an adverse impact on system performance as MPANs migrate to the new MHHS arrangements.

### **Decision notice**

In accordance with Standard Condition 11B of the Electricity Supply Licence and Standard Condition 11 of the Gas Supply Licence, the Authority hereby:

- approves R0083: Changes to Supply Number Format for Market-wide Half-Hourly Settlement and
- rejects R0083A: Changes to Supply Number Format for Market-wide Half-Hourly Settlement (Alternative).



**Melissa Giordano**

**Deputy Director - Retail**

Signed on behalf of the Authority and authorised for that purpose