

## **Distributor Provision of MPAS Services**

### **Decision Document**

June 2003

# Summary

Customers on licensed electricity distribution networks are able to benefit from competition by exercising their right to choose their electricity supplier. To this end there must be systems and procedures to enable electricity suppliers to transfer customers connected to all licensed distribution networks.

The Utilities Act 2000 provides for new distributors to enter the market and for existing distributors to operate out of their distribution services area. The current drafting of the distribution licence relies on new distributors' compliance with the Master Registration Agreement (MRA) to enable competition to operate. However the April 2003 consultation document "Distributor provision of MPAS Services" identified that changes are needed to the distribution licence conditions to enable the MRA obligations to be effective in respect of new distributors. To facilitate competition Ofgem is proposing a modification to the distribution licence to require all licensed distributors to provide a Meter Point Administration Service (MPAS) for supply points on their networks in accordance with the industry standard protocols set out in the MRA. Suppliers are not able to choose the distribution network to which the customer is connected. The modification therefore proposes that the manner in which MPAS, as a monopoly service, is provided should be adequately governed. Requiring distributors to provide MPAS in accordance with the MRA provides confidence that suppliers will be able to transfer customers and compete on these networks.

This document considers the responses made to the April 2003 consultation document and sets out the notice required under section 11A of the Electricity Act 1989 to modify the Standard Licence Conditions of the electricity distribution licence. It is proposed that the modifications set out in the notice are made with effect from 1<sup>st</sup> August 2003.

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# 1. Rationale

## *Issue*

- 1.1. The Utilities Act 2000 provides for new licensed distributors to enter the market and for the existing ex-PES<sup>1</sup> distributors to operate distribution networks out of their distribution services area<sup>2</sup>.
- 1.2. At present, new licensed distributors and existing distributors operating out of their distribution services area are not required by their licence to operate an MPAS<sup>3</sup> for those networks<sup>4</sup>. Suppliers are not able to choose the distribution network to which the customer is connected. Suppliers require the distributor to maintain an MPAS to enable it to access and update customer details and operate the change of supplier process. Suppliers need continuity in the provision of the MPAS between distribution networks to enable the competitive supply market to function.
- 1.3. Standard Licence Conditions 36, 36A, 36B, 36C and 37 of the distribution licence set out the regulatory requirements relating to the provision of an MPAS. These Standard Licence Conditions would not apply to an existing distributor operating outside of their distribution services area or a new licensed distributor. Appendix 1 sets out a list of the current relevant Standard Licence Conditions.
- 1.4. The drafting of Standard Licence Condition 37 does not allow for new distribution companies to become a party to the MRA<sup>5</sup> on the grounds that they

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<sup>1</sup> Prior to the Utilities Act 2000 the role of the Public Electricity Supplier (PES) combined both the function of supply and distribution. These roles were separated by the Utilities Act 2000. The 14 ex-PESs in their distribution function continue to have certain responsibilities in respect of their distribution services area over and above those required of new distribution licence holders.

<sup>2</sup> Distribution services area – A Distribution Services Direction specifies or describes a distribution services area within which the licensee shall be obliged to comply with any of the requirements of Section C of their licence. Section C sets out the Distribution Services Obligations.

<sup>3</sup> MPAS – Standard Licence Condition 37 of the distribution licence obliges the licensee to establish an MPAS. An MPAS holds data necessary to facilitate supply by any electricity supplier to all premises connected to the distribution system. The MPAS includes an enquiry service that provides relevant data to customers or electricity suppliers.

<sup>4</sup> Ofgem has received a formal application for a distribution licence from Energy Networks Ltd. Currently only the 14 ex-PES distributors are licensed for this activity.

<sup>5</sup> The MRA is an electricity supply agreement that sets out the requirements for the change of supplier process. Electricity distribution companies and suppliers are obliged to sign and comply with the MRA under Standard Licence Condition 14 of the distribution licence and Standard Licence Condition 20 of the electricity supply licence.

are not distribution services providers<sup>6</sup> nor providers of an MPAS. However, acceding to the MRA is a requirement of Standard Licence Condition 14 of the distribution licence. Suppliers require an MPAS to be operated in accordance with the MRA to ensure continuity across all licensed distributors networks. It has been indicated by the industry on a number of occasions that any solution to allow new distributors to sign the MRA which does not involve a distribution licence modification would add complexity to the efficient operation of established industry processes.

## ***Objective***

- 1.5. It was always the intention that premises connected to licensed networks would be registered on an MPAS. This is not an obligation under the current drafting of the electricity distribution licence. This needs to be addressed.
- 1.6. Ofgem is proposing a modification to the distribution licence to oblige all licensed distributors to ensure that their metering points are registered on an MPAS, so that suppliers will be able to compete effectively to supply customers on all licensed networks.
- 1.7. The proposed amendment would enable new licensed distributors to become a party to the MRA. This would provide suppliers with confidence that their systems and procedures will be able to operate for all licensed networks in the same way and in accordance with the MRA. This will enable customers connected to any licensed distribution network to benefit from a competitive supply market.

## ***Policy***

- 1.8. The consultation document published in April 2003 “Distributor provision of MPAS Services”<sup>7</sup> recommended that, by licence modification, customers and suppliers on all licensed distribution networks should be given the same level of service in the provision of an MPAS as they would receive in the existing ex-PES

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<sup>6</sup> Distribution services provider – A distribution services providers means a licensed distributor in whose licence Section C has effect. Section C sets out the Distribution Services Obligations.

<sup>7</sup> [http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/2848\\_2203mpas.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/2848_2203mpas.pdf)

distribution services area. The document proposed modifying the electricity distribution licence to oblige all licensed distributors to establish an MPAS in a manner that would be adequately regulated. The proposed modification would also enable new licensed distributors to become a party to the MRA.

- 1.9. The majority of respondents were broadly supportive of the consultation proposals. Having considered respondents' views on this document, Ofgem are now issuing a statutory notice to modify the Standard Licence Conditions of the electricity distribution licence as set out in Appendix 4, subject to representations and objections.

## 2. Timetable

2.1. The proposed timetable for the key events in this document is as follows:

|               |                                                                                                                                                                   |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 25 June 2003  | Publish decision document with a notice under section 11A of the Electricity Act 1989 attached, proposing a modification to the electricity distribution licence. |
| 23 July 2003  | End of period for representations and objections as set out in attached notice under section 11A of the Electricity Act 1989.                                     |
| 25 July 2003  | Announce decision following any representations and objections.                                                                                                   |
| 1 August 2003 | Implement modifications to the electricity distribution licence                                                                                                   |

## 3. Background

### ***November 2002 Informal Consultation***

- 3.1. In November 2002 Ofgem wrote to all licensed electricity distributors and suppliers inviting views on a set of draft proposals to modify the Standard Licence Conditions of the electricity distribution licence. This letter was an informal consultation to enable Ofgem to evaluate whether it was appropriate to seek a licence modification.
- 3.2. The draft modification proposed that new licensed distributors would provide or procure an MPAS and would enable new licensed distributors to become signatories to the MRA.
- 3.3. Ofgem received 5 responses from distributors and 2 responses from suppliers, which were broadly supportive of the proposed licence modifications but raised a number of issues.

### ***April 2003 Consultation***

- 3.4. In April 2003 Ofgem issued a consultation document “Distributor provision of MPAS Services”. This document formally consulted on whether the existing requirements on the 14 ex-PES distributors in regard to their distribution services obligations should be extended so that all licensed distributors are required to:
  - ◆ Establish or procure an MPAS,
  - ◆ Maintain an enquiry service and take steps to secure adequate publicity for this service, and
  - ◆ Set out the basis of charges and offer terms for the provision of an MPAS to suppliers. In the provision of an MPAS to suppliers the licensee shall not discriminate between suppliers restrict, distort or prevent competition in the supply of electricity.



3.5. In addition the document consulted on whether Ofgem should:

- ◆ Replicate its existing role in enforcing licence conditions which set out the way in which an MPAS is provided to suppliers, settling disputes on the terms of the agreement for the provision of an MPAS and issuing directions relieving the licensee of its obligations for the provision of an MPAS following consultation for all networks of licensed distributors, and
- ◆ Modify the electricity distribution licence so that new licensed distribution companies may become signatories to the MRA.

3.6. A number of options for the best way to proceed were suggested. These were:

- ◆ Option 1: Maintain current arrangements
- ◆ Option 2: Require all distribution licence holders to establish an MPAS to suppliers
- ◆ Option 3: Require that provision of an MPAS to suppliers is adequately regulated

3.7. A summary of the responses can be found in the following chapters.

3.8. In total Ofgem received 11 responses to the April consultation. Of these, 9 were from distributors<sup>8</sup> and 2 were from suppliers. A full list of respondents can be seen in Appendix 2 and non-confidential responses are shown on the Ofgem website<sup>9</sup>.

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<sup>8</sup> The 9 distributors hold all of the 14 ex-PES distribution licences.

<sup>9</sup> [http://www.ofgem.gov.uk/ofgem/work/index.jsp?section=electricityinfrastructure&levelids=,1\\_3020](http://www.ofgem.gov.uk/ofgem/work/index.jsp?section=electricityinfrastructure&levelids=,1_3020)

## **4. Provision of an MPAS by all licensed distributors**

- 4.1. In April 2003 Ofgem consulted on a number of amendments to the Standard Licence Conditions of the distribution licence to address issues relating to the provision of an MPAS by licensed distributors to suppliers, the regulation of this service and allowing new distributors to become parties to the MRA.
- 4.2. This chapter sets out the views of respondents on these explicit proposals together with Ofgem's comments on these views.

### ***Provision of an MPAS***

- 4.3. Ofgem consulted on whether all licensed distributors should be required to establish or procure an MPAS to suppliers.

### ***Respondents' Views***

- 4.4. The majority of respondents felt that the proposals would achieve equitability for all licensed distribution businesses and their interaction with suppliers. One respondent stated that the Ofgem consultation paper rightly identifies the asymmetry if existing distribution licences were left unamended and any new distribution licences contained no obligation to provide an MPAS. They believed this would be inequitable for suppliers and distribution businesses alike, it would be inefficient and would mean that customers connected to a new distribution business' network would find it more difficult to obtain access to competitive supplies of electricity. This view was supported by a second respondent who said that, in order to facilitate competition, all licensed distributors, whether they have a distribution services area or not, should have equivalent obligations regarding the provision of an MPAS.
- 4.5. One respondent asked that Ofgem reconsider its existing approach and not proceed with the proposals to require the provision of an MPAS through a modification to the Standard Licence Conditions, suggesting that a new

distributor's consent to a distribution services direction<sup>10</sup> would be a more appropriate way to achieve this goal. They considered that a modification to the Standard Licence Conditions took away the opportunity for new distributors to comment on and consent to Ofgem's proposals.

### ***Ofgem's view***

- 4.6. Ofgem supports the view that there is a need for all licensed distributors to provide an MPAS for suppliers and maintain and publicise an enquiry service for both customers and suppliers. These are required to provide access to data required by customers and suppliers to facilitate the supply of electricity and allow customers to change supplier.
- 4.7. Ofgem considers it was always the intention that premises connected to the network of licensed distributors would be registered on an MPAS.
- 4.8. Ofgem considers an amendment to the Standard Licence Conditions of distributors to be the most appropriate way to require all distributors to provide the basic requirements to facilitate competition on the networks of all licensed distributors. Seeking consent of new distributors to a distribution services direction does not tackle the requirement for an MPAS to be provided by existing distributors operating out of area. In addition if new distributors did not provide consent then they would not be required to provide an MPAS, do so in a standardised way under the MRA and the ability of customers to choose their preferred supplier would be seriously compromised.
- 4.9. Ofgem has brought this consultation process to the attention of any persons currently making a formal application for an electricity distribution licence and any others that have approached Ofgem informally. Under section 11A (3) of the Electricity Act 1989 Ofgem is obliged to give notice of any modifications it proposes to make to Standard Licence Conditions, setting out their effect and stating the reasons why it proposes to make the modifications. This notice is

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<sup>10</sup> Distribution Services Direction – The direction may specify that the standard conditions in Section C (in whole or in part) are to have effect in the licence and in any case shall describe a distribution services area within which the licensee shall be obliged to comply with any of the requirements of Section C of their licence. Section C sets out the Distribution Services Obligations.

being published in such a manner as to bring it to the attention of persons likely to be affected by the making of the modifications.

### ***The manner in which an MPAS is provided***

- 4.10. Ofgem consulted on whether the manner in which an MPAS is provided to suppliers should be adequately regulated.

### ***Respondents' views***

- 4.11. The majority of respondents agreed that in addition to establishing an MPAS, the manner in which these services are provided should be adequately regulated. However, two respondents expressed concerns in relation to the requirement to prepare charging statements for MPAS services.
- 4.12. One respondent noted that their 'day-to-day' costs of providing an MPAS are recovered via the fixed element of Use of System charges and any additional services are charged for on a transactional basis. They expressed concern that the proposed Standard Licence Condition 14A obligation to prepare a stand-alone MPAS charging statement implies a requirement to unbundle MPAS charges from Use of System. They said that the existing charging arrangements described above should be maintained.

### ***Ofgem's view***

- 4.13. Ofgem considers that the provision of an MPAS to suppliers is a monopoly service that should be adequately regulated. Suppliers are not able to choose the distribution network to which the customer is connected. Ofgem therefore considers that adequate governance in the provision of an MPAS gives suppliers confidence that they will be able to compete effectively on all licensed networks using the existing standard industry protocols.
- 4.14. In relation to the specific issues raised on MPAS charges, Ofgem's proposed Standard Licence Condition 14A does not require MPAS charges to be unbundled from the Use of System charges. Standard Licence Condition 14A proposes to oblige all licensed distributors to set out the basis of charges for the

provision of an MPAS. There is also the same requirement on distribution services providers held in Standard Licence Condition 36 when in relation to their distribution services area. It is intended that a distributor holding a licence which includes a distribution services area should comply with the requirements contained in Standard Licence Condition 36.

- 4.15. Ofgem considers that an ex-PES distributor would not be required to provide a charging statement for MPAS services additional to those that they are already required to provide in accordance with Section C of their licence although they may do so for out of area networks. However, distributors whose licence does not include a distribution services area would offer terms for the provision of 'metering point administration services' only in accordance with Section B of their licence.

### ***New licensed distributors to become parties to the MRA***

- 4.16. Ofgem consulted on whether to modify the electricity distribution licence so that new licensed distribution companies may become signatories to the MRA.

### ***Respondents' views***

- 4.17. All respondents who commented supported Ofgem's proposal. It was believed that all distribution businesses, existing and new, should be parties to the MRA. One respondent stated that the potential for new distributors entering into the market and not becoming signatories to the MRA would create significant issues in maintaining an industry baseline and in resolving queries/disputes without a meaningful governance mechanism.

### ***Ofgem's view***

- 4.18. As previously stated in the April consultation, Standard Licence Condition 37 does not allow new distributors to become a party to the MRA even though being a party to this agreement is currently a requirement of Standard Licence Condition 14. Ofgem considers that removing this anomaly and requiring new licensed distributors to become parties to the MRA is the most effective solution

to ensure equivalence and efficiency in the operation of an MPAS for all networks operated by licensed distributors.

## 5. Provision of an MPAS to other distributors

- 5.1. In the April consultation Ofgem clarified that it did not intend to amend the existing obligation on distribution services providers to provide an MPAS to any party and on behalf of other distributors within their distribution services area.

### ***Respondents' views***

- 5.2. Four respondents stated that the obligation on an ex-PES distributor to offer terms for the provision of an MPAS to another distributor should be removed.
- 5.3. One respondent noted that there are the additional costs for host distributors in providing MPAS on behalf of other distributors. They said that such additional costs incurred by an ex-PES distributor in meeting its licence obligation to provide an MPAS within its services area must be recoverable.
- 5.4. A second respondent believed that the requirement for ex-PES distributors to offer terms for an MPAS within their distribution services area to any person is not compatible with the P62<sup>11</sup> changes to the BSC which require one MPAS service per distributor. They believed that new distributors should make their own arrangements for MPAS services to meet their obligations and they saw no case for a regulatory requirement for ex-PES distributors to offer such a service to other distributors.
- 5.5. A third respondent felt that it was not clear from the existing drafting of the licence that an obligation existed on ex-PES distributors to provide an MPAS to any person, including new distributors.

### ***Ofgem's view***

- 5.6. Ofgem does not consider the removal of the obligation on existing ex-PES distributors to provide MPAS services to new licensed distributors within their distribution services area to be within the scope of the proposed licence modifications. As previously stated in the April consultation the obligation on

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<sup>11</sup> P62 – Changes to Facilitate Competitive Supply on the Networks of New Licensed Distributors  
Distributor provision of MPAS  
Office of Gas and Electricity Markets

distributors who have a distribution services area to provide an MPAS to any party and on behalf of other distributors within their services area will remain. Indeed one licensed distributor is at present providing an MPAS within its distribution services area to another distributor.

- 5.7. The current drafting of Standard Licence Condition 37 (2) (a) specifically requires distribution service providers to provide MPAS services on request to other distributors operating within their distribution services area. In error, this requirement was not addressed in the April consultation draft proposals. This requirement will remain in Standard Licence Condition 37.
- 5.8. Ofgem does not support the view that BSC P62 modification is incompatible with the requirement on distribution service providers to offer MPAS on behalf of other distributors. However, we note that this BSC modification does limit the obligations on distribution services providers. In instances where a new distributor operates a network within a single distribution services area, the relevant ex-PES distributor will be required to offer terms for the provision of an MPAS on request. This is a chargeable service but Ofgem notes that Standard Licence Condition 36B (7) requires that MPAS is provided in an economic and efficient manner. It is expected that this MPAS will be provided under contract and the terms agreed between both distributors. P62 requires that each distributor operates using one MPAS, so that new distributors cannot require ex-PES distributors to provide an MPAS if the new distributor operates in more than one distribution services area. Additionally, existing distributors operating out of their distribution services area cannot request the host distributor to provide an MPAS as they must use their existing MPAS.



## 6. Maintenance of the MRA

- 6.1. In the April consultation Ofgem did not explicitly seek views on the requirement for distribution services providers to maintain the MRA. However, a number of respondents raised issues on this area.

### ***Respondents' views***

- 6.2. Three respondents said that the requirement to prepare and maintain the MRA should be placed upon all licensed distributors, not just distribution services providers.
- 6.3. One respondent said that all distributors of a significant size should play their part in maintaining the MRA and that this issue should be considered in due course. A second respondent said that if new licensed distributors did not have obligations to maintain the MRA then this would be inconsistent with their requirement to have voting rights. They believed that the definition of 'maintain' could include 'modify' and consequently new distributors might be excluded from modifications of a document to which they were obliged to be a party. They also said that existing distributors should not have to assist competitors through an additional obligation in this area.
- 6.4. A third respondent said that the requirement on the ex-PES distributor to maintain the MRA was drafted to facilitate its development in 1998 and was no longer relevant. They argued that the maintenance reference was unnecessary given the requirement for licensees to be a party to the MRA and for any changes to the key components of the MRA to require specific Ofgem approval.

### ***Ofgem's view***

- 6.5. The existence of the MRA is vital to the operation of the competitive supply market. It is because of the importance placed on the MRA that the obligation to maintain the MRA as a last resort should fall on ex-PES distributors with their ability to recoup the associated costs. Ofgem considers that the price control revenues for each of the 14 ex-PES distributors allow them to recover the costs of

maintaining the MRA. Ofgem does however consider it appropriate for all licensed distributors to contribute towards the ongoing operational costs incurred by MRASCo<sup>12</sup>.

- 6.6. Ofgem considers that new licensed distributors should have voting rights on proposed amendments to the MRA. Ofgem does not consider that the lack of an explicit obligation on new distributors to ensure that there is an MRA in effect should impede their ability to vote and make representations on proposed changes.

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<sup>12</sup> MRASCo is the company established by signatories to the MRA to be responsible for managing the day to day operation of the MRA. On the 1<sup>st</sup> September 2002 MRASCo's personnel and operational assets transferred to Gemserv.

## 7. Provision of Metering and Data Services

- 7.1. Ofgem did not explicitly request views on proposed modifications to the obligations on distributors to provide metering and data services as set out in Standard Licence Conditions 36, 36A, 36B and 36C. However, three respondents asked for clarification or raised concerns on this issue.

### ***Respondents' views***

- 7.2. One respondent said that the proposed licence modifications should extend regulation in the provision of metering services to all licensed distributors. A second respondent believed that the obligation contained within Standard Licence Condition 36B (2) to provide metering services within the distribution services area to any person should not be continued. A third respondent asked for clarity from Ofgem on whether the distribution services obligations that relate to the provision of metering and data services contained within Standard Licence Conditions 36, 36A, 36B and 36C are to remain unchanged.
- 7.3. One respondent suggested that the obligations set out in Standard Licence Condition 36B (1) (a) and (b) to provide metering and data services to any person should be moved into Section B of the licence given the considerable advances in competition in metering services. They said that to require distributors to provide or procure an MPAS but not meters was inconsistent.
- 7.4. One respondent said that it was not appropriate for the obligation to offer terms for the provision of metering services in their distribution services area to any person to continue and that it should be reconsidered at the forthcoming price review. They said that this requirement was questionable given the contested nature of the meter operation market and that its continuation was likely to distort competition.
- 7.5. A further respondent asked Ofgem to confirm that Standard Licence Conditions 36 – 36C were to remain unchanged in Section C. They firmly opposed any licence modification which would move these obligations into Section B of the licence and extend the scope of the existing metering obligations. They believe

that this would introduce significant complexity into the market for no obvious benefit.

### ***Ofgem's view***

- 7.6. Ofgem does not consider the modification of Standard Licence Condition 36B (1) (a) & (b) and (2) to be within the scope of the proposed licence modifications. For the avoidance of doubt the licence obligations relating to metering (i.e. Standard Licence Conditions 36B (1) (a) & (b) and (2)) will remain in Section C of the licence, as at present, following the modifications proposed in this document.
- 7.7. Ofgem notes that at present it is possible for licensed distributors to operate outside their distribution services area. A licensed distributor operating outside of its distribution services area is not covered by Standard Licence Conditions 36 - 36C and consequently does not have an obligation to provide metering services. At least one distributor is operating out of its services area and customers on that network are provided with meters and metering services.
- 7.8. Ofgem does not consider that the licensing of new distributors would lead to any new issues not currently raised by existing distributors operating out of area. Therefore Ofgem is not proposing to include modification proposals to Standard Licence Conditions 36B (1) (a) & (b) and (2) at the present time.
- 7.9. Ofgem is aware of a variety of views from industry on the correct treatment of metering obligations on distribution networks in the context of a developing competitive market in metering services and will be examining questions about the continuation of these conditions as part of the work on the metering strategy.
- 7.10. In addition Ofgem will be examining the metering issues raised in this consultation and will take appropriate action if the current situation is shown to act to the detriment of customers. Ofgem will review the issues and, if necessary, publish an initial consultation document on this issue by the end of September 2003. This would allow any necessary licence modifications to be introduced by early 2004.

## 8. Implementation date and consequential textual changes

### *Implementation date*

- 8.1. In the April consultation Ofgem said that the proposed modifications to the electricity distribution licence should be implemented on 1<sup>st</sup> August 2003.

### *Respondents' views*

- 8.2. One respondent said that prior to the introduction of P62 they had set up interim arrangements with NEDL in respect of a development known as Newcastle Great Park. They said that the introduction of the proposed licence modifications prior to the introduction of P62 could seriously undermine these arrangements. They asked that the proposals only become effective in parallel with the introduction of P62. They further added that there should be a delay of approximately four months to the introduction of P62 to allow IT system changes to be implemented.

### *Ofgem's view*

- 8.3. As stated in the April consultation, BSC modification P62 is due to be implemented on 1<sup>st</sup> August 2003. P62 allows multiple distributors to operate within each of the existing GSP groups in England and Wales for settlement purposes.
- 8.4. Ofgem agreed to an implementation date of 1<sup>st</sup> August 2003 for BSC modification P62 following a recommendation from the BSC Panel.
- 8.5. Ofgem considers that the proposed implementation date for the modification to the electricity distribution licence should remain 1<sup>st</sup> August 2003.

## ***Consequential textual changes***

- 8.6. One respondent suggested a number of typographical changes to the proposed licence modifications. These are show in Table 1 together with Ofgem's comments.

**Table 1 - List of suggested typographical amendments**

| <b>Standard Condition</b> | <b>Existing wording</b>                                                                                                                                                                                                                                                                                                                                        | <b>Suggested wording</b>                                                            | <b>Ofgem views</b>                                                                                  |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 14A (7)                   | The licensee shall give or send a copy of the statement prepared in accordance with paragraph 1, or (as the case may be) of the last revision of such statement, to any person who requests a copy of such a statement.                                                                                                                                        | Delete the word 'a' prior to the last word of the paragraph                         | Agreed                                                                                              |
| 14C (2)                   | On application made by any electricity supplier for all premises connected to the licensee's distribution system, the licensee shall (subject to paragraph 5) offer to enter into an agreement for the provision of metering point administration services.                                                                                                    | Delete 'all' and replace with 'any' in the first line of the paragraph              | Agreed                                                                                              |
| 14C (3)                   | <ul style="list-style-type: none"> <li>a) the date by which metering point administration services required shall be provided (time being of the essence, unless otherwise agreed between parties);</li> <li>b) the charges to be paid in respect of metering point administration services required, such charges (unless manifestly appropriate):</li> </ul> | Add 'the' before 'metering point administration services' in paragraphs (a) and (b) | Agreed                                                                                              |
| 14C (3)                   | <ul style="list-style-type: none"> <li>a) the date by which metering point administration services required shall be provided (time being of</li> </ul>                                                                                                                                                                                                        | Add 'the' before 'parties' in paragraph 3(a)                                        | Disagree as this would not be consistent with the wording of Standard Licence Condition 36B (4) (a) |

|            |                                                                                                                                                                                                                                    |                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | the essence, unless otherwise agreed between parties);                                                                                                                                                                             |                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 14C (3)    | (b) (i) to be presented in such a way as to be referable to the statement prepared in accordance with paragraph 1 of standard condition 14A (Basis of Charges for Metering Point Administration Services) or any revision thereof; | Add 'Requirements for Transparency' to complete the title of Standard Licence Condition 14A         | Agreed                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 14C (4)    | The licensee shall offer terms for agreement in accordance with paragraph 2 as soon as practicable and (save where the Authority consents to a longer period).....                                                                 | Add 'an' before 'agreement' in the first line of the paragraph                                      | Agreed                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 37 [Title] | The Metering Point Administration Service and the Master Registration Agreement                                                                                                                                                    | Change title of Standard Licence Condition 37 to 'Maintenance of the Master Registration Agreement' | Disagree as this would require a parallel change to Standard Licence Condition 1 of the electricity supply licence. Such an amendment would add unnecessary complexity to the proposed licence modifications. In addition, the revised wording of Standard Licence Condition 37 has clarified the requirements on existing distributors to provide an MPAS to other distributors operating within their distribution services area. |



## 9. Decision

- 9.1. This chapter summarises Ofgem's decision on whether to propose a formal modification to the standard conditions of the electricity distribution licence in accordance with section 11A (3) of the Electricity Act 1989, following consideration of the responses to the April consultation.
- 9.2. Ofgem considers that the existing requirements on the 14 ex-PES distribution service providers should be extended so that all licensed distributors are required to:
- ◆ Establish or procure an MPAS,
  - ◆ Maintain an enquiry service and take steps to secure adequate publicity for this service, and
  - ◆ Set out the basis of charges and offer terms for the provision of an MPAS to suppliers. In the provision of an MPAS to suppliers the licensee shall not discriminate between suppliers restrict, distort or prevent competition in the supply of electricity.
- 9.3. In addition Ofgem seeks to:
- ◆ Replicate its existing role in enforcing the licence conditions which set out the way in which an MPAS is provided to suppliers, settling disputes on the terms of the agreement for the provision of an MPAS and issuing directions relieving the licensee of its obligations for the provision of an MPAS following consultation for all networks of licensed distributors, and
  - ◆ Modify the electricity distribution licence so that new licensed distribution companies may become signatories to the MRA.
- 9.4. The proposed modifications are summarised and shown with changes marked in Appendix 3.

## ***Way forward***

- 9.5. Ofgem, pursuant to section 11A (3) of the Electricity Act 1989, has now provided a notice to modify the electricity distribution licence by amending Standard Licence Conditions 1, 14, 32 and 37 and including new Standard Licences Conditions 14A, 14B, 14C and 14D. This notice is set out in Appendix 4.
- 9.6. Ofgem is issuing this notice in advance of having the collective licence modifications rules<sup>13</sup> in place. Therefore, the modification will not take place if a statutory objection is made to the modification by any licensed distributor. Should the modification not be made at this stage it is Ofgem's intention to propose the modification again once the collective licence modifications rules are in place.
- 9.7. **Ofgem requests that any representations or objections with respect to the proposed modifications be made on or before 23 July 2003 and should be addressed to Catherine Monaghan, Ofgem, 9 Millbank, London, SW1P 3GE (020 7901 7176) or [catherine.monaghan@ofgem.gov.uk](mailto:catherine.monaghan@ofgem.gov.uk).**

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<sup>13</sup> Relevant licence holders are able to make objections to a proposed modification to the Standard Licence Conditions. Where the objections made exceed the percentage thresholds set out under the collective licence modification rules then the modification is not made. As these percentage threshold levels have not yet been set by the DTI Ofgem is intending to proceed on the basis that the modification will not be made if any objections are received.

# Appendix 1 List of existing relevant Standard Licence Conditions

| Standard Conditions | Title                                                                                      |
|---------------------|--------------------------------------------------------------------------------------------|
| Condition1          | Definitions and Interpretation                                                             |
| Condition 2         | Application of Section C (Distribution Services Obligations)                               |
| Condition 14        | The Master Registration Agreement                                                          |
| Condition 32        | Interpretation of Section C (Distribution Services Obligations)                            |
| Condition 36        | Basis of Charges for Distributor Metering and Data Services: Requirements for Transparency |
| Condition 36A       | Non-Discrimination in the Provision of Distributor Metering and Data Services              |
| Condition 36B       | Requirement to Offer Terms for the Provision of Distributor Metering and Data Services     |
| Condition 36C       | Functions of the Authority                                                                 |
| Condition 37        | The Metering Point Administration Service and the Master Registration Agreement            |

## **Appendix 2 List of Respondents**

Aquila Networks Ltd

British Gas Trading Ltd

East Midlands Electricity Distribution plc

Innogy plc

LE Group

Northern Electric Distribution and Yorkshire Electricity Distribution plc

Scottish and Southern Energy plc

Scottish Power Energy Retail Ltd

Scottish Power Transmission and Distribution

United Utilities plc

Western Power Distribution plc

## Appendix 3 Proposed Licence Modifications

This Appendix sets out Ofgem's modification proposals in respect of the standard conditions of electricity distribution licence holders in the following manner:

- ◆ Part 1 contains a schedule detailing Ofgem's proposals to modify the standard conditions of electricity distribution licence holders; and
- ◆ Part 2 contains red-line and strike-out text for these proposals as explained in the Part 1 schedule.

## **Part 1**

Proposed licence modification to the standard conditions of electricity distribution licence holders

| <b>Standard Licence Condition</b> | <b>Modification</b>                                                                                                                                                                                               | <b>Effect</b>                                                                                                                                                                                                                                                       | <b>Reason</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Standard Condition 1              | Amend definitions of: <ul style="list-style-type: none"> <li>• Master Registration Agreement,</li> <li>• Metering Point Administration Service, and</li> <li>• metering point administration services.</li> </ul> | Definitions amended. Reflects the movement of the description of the functions of an MPAS from standard condition 37 to standard condition 14.                                                                                                                      | The description of the functions of an MPAS has been moved from standard condition 37 to standard condition 14 to make these requirements applicable to all licensed distributors, not just distribution services providers.                                                                                                                                                                                                                                                                                    |
| Standard Condition 14             | <p>Title amended.</p> <p>New paragraph 2 added.</p> <p>New paragraph 3 added.</p>                                                                                                                                 | <p>Title amended to "Provision of the Metering Point Administration Service and Compliance with the Master Registration Agreement"</p> <p>Add requirement on all licensed distributors to provide or procure an MPAS.</p> <p>Sets out the functions of an MPAS.</p> | <p>Reflects requirements within this standard condition in relation to the provision of an MPAS.</p> <p>Sets out the requirement on all licensed distributors to provide or procure an MPAS. This was previously only a requirement on distribution services providers.</p> <p>The requirements of an MPAS were previously only described in relation to distribution services providers. The amendment makes the MPAS requirements relevant to all licensed distributors when they provide these services.</p> |

|                        |                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                      |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Standard Condition 14A | Introduction of a new standard condition in relation to the setting of charges by licensed distributors for the provision of an MPAS. | <p>All licensed distributors to prepare a statement setting out the basis of charges for the provision of metering point administration services. The form of the statement is to be approved by the Authority. Licence holders required to review the statement yearly and may alter the form of the statement only with the Authority's consent.</p> <p>Authority able to change all, or part of the requirement to prepare such a statement.</p> <p>In setting these charges licensed distributors shall not restrict, distort or prevent competition in generation, distribution or supply of electricity.</p> <p>A copy of the statement is to be sent to the Authority and any person that requests a copy. Licensees may make a reasonable charge for sending the statement to any person.</p> | Aligns the obligations on all licensed distributors with the equivalent requirements on distribution services providers under standard condition 36. Ensures adequate regulation in the provision of an MPAS to electricity suppliers by all licensed distributors.  |
| Standard Condition 14B | Introduction of a new standard condition in relation to non-discrimination in the provision of an MPAS.                               | All licensed distributors required to not discriminate between any electricity suppliers in the provision of an MPAS.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Aligns the obligations on all licensed distributors with the equivalent requirements on distribution services providers under standard condition 36A. Ensures adequate regulation in the provision of an MPAS to electricity suppliers by all licensed distributors. |
| Standard Condition 14C | Introduction of a new standard condition requiring licensees to offer terms for the provision of an MPAS.                             | Obliges all licensed distributors to offer terms for the provision of an MPAS in accordance with the MRA and offer to enter into an agreement for these services,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Aligns the obligations on all licensed distributors with the equivalent requirements on distribution services providers under standard condition 36B. Ensures adequate regulation in the provision of an MPAS to electricity suppliers by all                        |

|                        |                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                      |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        |                                                                                                                                                                                                        | <p>The condition also sets out the circumstances under which the licensee would not be obliged to offer to enter into such an agreement.</p> <p>Require the licensee to provide an MPAS in the most efficient and economic manner practicable with regard to the alternatives and other licence requirements and do so in such a manner that does not restrict, distort or prevent competition in the supply of electricity.</p>                                      | licensed distributors.                                                                                                                                                                                                                                               |
| Standard Condition 14D | Introduction of a new standard condition setting out the functions of the Authority in relation to the licensed distributor's obligations to provide an MPAS.                                          | <p>Enable the Authority to settle a dispute referred to it by either the licensee or supplier where they have failed to enter into an agreement for the provision of an MPAS.</p> <p>Enable the Authority to similarly settle a dispute arising following a proposed variation by either party of the terms for the provision of an MPAS.</p> <p>Allow the Authority to remove the licensed distributor's obligation to offer terms for the provision of an MPAS.</p> | Aligns the obligations on all licensed distributors with the equivalent requirements on distribution services providers under standard condition 36C. Ensures adequate regulation in the provision of an MPAS to electricity suppliers by all licensed distributors. |
| Standard Condition 32  | <p>Amend definition of :</p> <ul style="list-style-type: none"> <li>data transfer catalogue.</li> </ul> <p>Remove definitions of:</p> <ul style="list-style-type: none"> <li>Metering Point</li> </ul> | <p>Definition of "data transfer catalogue" amended to relate to paragraph 4(c) rather than paragraph 5(c) of standard condition 37.</p> <p>Removes the reference to these definitions from standard condition 32.</p>                                                                                                                                                                                                                                                 | <p>Required due to removal of 2 paragraphs and the inclusion of a new paragraph within standard condition 37.</p> <p>These definitions are replaced by amendments to the equivalent definitions in standard condition 1 as described</p>                             |



|                       |                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       | Administration Service, and<br>• metering point<br>administration services.                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | above. This change allows the definition of Metering Point Administration Service, and metering point administration services to apply in relation to all licensed distributors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Standard Condition 37 | <p>Delete existing paragraph 1.</p> <p>Delete existing paragraph 2.</p> <p>New paragraph 1 added.</p> <p>Amendment to new paragraph 3 (previously paragraph 4).</p> <p>Amendment to new paragraph 4(a) (previously paragraph 5(a)).</p> <p>As above</p> | <p>Removes obligation on distribution service providers to establish or procure an MPAS in accordance with the MRA.</p> <p>Remove from standard condition 37 the definition of an MPAS.</p> <p>Sets out the obligations on distribution services providers to provide an MPAS to other distributors operating within their distribution services area.</p> <p>Reference to “distribution services providers” amended to “licensed distributors”.</p> <p>Reference to the provision of an MPAS in accordance with paragraph 2 amended to standard condition 14.</p> <p>Reference to “distribution services providers” amended to “licensed distributors”.</p> | <p>Replaced by obligation on all licensed distributors in revised standard condition 14 to establish or procure an MPAS in accordance with the MRA.</p> <p>Replaced by a definition of the functions of an MPAS to be provided by all licensed distributors set out in the revised standard condition 14.</p> <p>Retains existing obligation of distribution services providers to offer to provide an MPAS on request to other licensed distributors operating within their distribution services area.</p> <p>This allows all licensed distributors, including those without a distribution services area to become a party to the MRA.</p> <p>The requirements of the MPAS have been removed from standard condition 37 and placed in revised standard condition 14.</p> <p>This allows all distributors, including those without a distribution services area to become a party to the MRA.</p> |

## **Part 2**

### **Condition 1. Definitions and Interpretation**

[All definitions within the above condition remain the same save the following amendments]

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Master Registration Agreement”          | means the agreement of that title referred to and comprising such matters as are set out in <u>standard condition 14 (Provision of Metering Point Administration Service and Compliance with Master Registration Agreement)</u> and <u>standard condition 37 (The Metering Point Administration Service and the Master Registration Agreement)</u> .                                                                                                                                                                                                                                  |
| “Metering Point Administration Service”  | <del>for the purpose of Section C only, has the meaning given in standard condition 32 (Interpretation of Section C (Distribution Services Obligations)).</del><br><br>means the service to be established, operated and maintained by the licensee in accordance with <u>standard condition 14 (Provision of the Metering Point Administration Service and Compliance with the Master Registration Agreement)</u> .                                                                                                                                                                  |
| “metering point administration services” | <del>for the purpose of Section C only, has the meaning given in standard condition 32 (Interpretation of Section C (Distribution Services Obligations)).</del><br><br>means the services of the <u>Metering Point Administration Service established in accordance with standard condition 14 (Provision of the Metering Point Administration Service and Compliance with the Master Registration Agreement)</u> or, where the context requires, <u>in accordance with standard condition 37 (The Metering Point Administration Service and the Master Registration Agreement)</u> . |

**Condition 14. Provision of the Metering Point Administration Service and Compliance with the Master Registration Agreement**

1. The licensee shall be a party to and shall comply with the provisions of the Master Registration Agreement.
2. The licensee shall establish, or procure the establishment of, and subsequently operate and maintain, or procure the subsequent operation and maintenance of, a service to be known as the “Metering Point Administration Service.”
3. The Metering Point Administration Service shall fulfil the following functions:
  - (a) the maintenance of such a register of technical and other data as is necessary to facilitate supply by any electricity supplier to all premises connected to the licensee’s distribution system and to meet the reasonable requirements of electricity suppliers in respect of such premises for information for settlement purposes, including (where so required):
    - (i) the identity of the electricity supplier responsible under the Balancing and Settlement Code (where the premises are within England and Wales) and/or the Settlement Agreement for Scotland (where the premises are within Scotland) for the metering point at such premises;

- (ii) the type of metering equipment installed at each such premises; and
  - (iii) a unique and accurate address of each such premises so far as is reasonably practicable having regard to the nature and source of the information provided to the licensee;
- (b) the amendment of the register maintained in accordance with sub-paragraph (a) to reflect changes of electricity supplier in respect of any premises;
- (c) the provision, in a timely and efficient manner, of such data contained in the register as is reasonably required and requested to:
  - (i) any electricity supplier or agent thereof;
  - (ii) any person identified in the Balancing and Settlement Code (where the premises are within England and Wales) and/or the Settlement Agreement for Scotland (where the premises are within Scotland) as an appropriate person for the receipt of data for settlement purposes; and
  - (iii) any person identified in the Master Registration Agreement as entitled to such data for the purpose of facilitating changes of electricity supplier in respect of any premises;

and

(d) the maintenance of an enquiry service for the provision to any customer or an electricity supplier, on request and free of charge to that customer, of such data contained in the register as is relevant to the supply of electricity to premises which are (or are to be) owned or occupied by the customer, and the taking of such steps as will in the opinion of the licensee secure adequate publicity for the operation of the enquiry service.

## **Condition 14A. Basis of Charges for Metering Point Administration Services:**

### **Requirements for Transparency**

1. The licensee shall as soon as practicable prepare a statement in a form approved by the Authority setting out the basis upon which charges will be made for the provision of metering point administration services, in such form and with such detail as shall be necessary to enable an electricity supplier to make a reasonable estimate of the charges to which the electricity supplier would become liable to pay for the provision of such services and of the other terms, likely to have a material impact on the conduct of the electricity supplier's business, upon which the service would be provided and (without prejudice to the foregoing) including the information set out in paragraph 2.
2. The statement referred to in paragraph 1 shall include a schedule of charges, for metering point administration services together with an explanation of the methods by which and the principles on which such charges will be calculated.
3. The Authority may, upon the written request of the licensee, issue a direction relieving the licensee of its obligations under paragraph 1 to such extent and subject to such terms and conditions as the Authority may specify in that direction.
4. The licensee shall not in setting its charges for, or in setting the other terms that will apply to the provision of metering point administration services, restrict, distort or prevent competition in the generation, distribution or supply of electricity.
5. The licensee:

- (a) shall, at least once in every year, review the information set out in the statement prepared in accordance with paragraph 1 in order that the information set out in such a statement shall continue to be accurate in all material respects; and
  - (b) may, with the approval of the Authority, from time to time alter the form of such a statement.
- 6. The licensee shall send a copy of the statement prepared in accordance with paragraph 1, and of each revision of such statement, to the Authority.
- 7. The licensee shall give or send a copy of the statement prepared in accordance with paragraph 1, or (as the case may be) of the latest revision of such statement, to any person who requests a copy of such statement.
- 8. The licensee may make a charge for any statement given or sent pursuant to paragraph 7 of an amount which shall not exceed the amount specified in directions issued by the Authority for the purposes of this condition based on the Authority's estimate of the licensee's reasonable costs of providing such a statement.

## **Condition 14B. Non-Discrimination in the Provision of Metering Point Administration**

### **Services**

1. In the provision of metering point administration services the licensee shall not discriminate between any electricity suppliers.
  
2. Without prejudice to paragraph 1, and subject to the provisions of standard condition 14A (Basis of Charges for Metering Point Administration Services: Requirements for Transparency), the licensee shall not make charges for the provision of metering point administration services to any electricity supplier which differ from the charges for such provision to any other electricity supplier except in so far as such differences reasonably reflect differences in the costs associated with such provision.



## **Condition 14C. Requirement to Offer Terms for the Provision of Metering Point**

### **Administration Services**

1. This condition sets out the obligations relating to the metering point administration services pursuant to and in accordance with the Master Registration Agreement.
2. On application made by any electricity supplier for any premises connected to the licensee's distribution system, the licensee shall (subject to paragraph 5) offer to enter into an agreement for the provision of metering point administration services.
3. In making an offer pursuant to this condition to enter into an agreement, the licensee shall set out:
  - (a) the date by which the metering point administration services required shall be provided (time being of the essence, unless otherwise agreed between parties);
  - (b) the charges to be paid in respect of the metering point administration services required, such charges (unless manifestly inappropriate):
    - (i) to be presented in such a way as to be referable to the statement prepared in accordance with paragraph 1 of standard condition 14A (Basis of Charges for Metering Point Administration Services: Requirements for Transparency) or any revision thereof;

- (ii) to be in conformity with the requirements of standard condition 14A (Basis of Charges for Metering Point Administration Services: Requirements for Transparency).
  - (c) such other detailed terms in respect of each of the metering point administration services required as are or may be appropriate for the purpose of the agreement.
- 4. The licensee shall offer terms for an agreement in accordance with paragraph 2 as soon as practicable and (save where the Authority consents to a longer period) in any event not more than 28 days after receipt by the licensee (or its agent) from an electricity supplier of an application containing all such information as the licensee may reasonably require for the purpose of formulating the terms of the offer.
- 5. The licensee shall not be obliged pursuant to this condition to offer to enter or to enter into any agreement if to do so would be likely to involve the licensee being:
  - (a) in breach of its duties under section 9 of the Act;
  - (b) in breach of any regulations made under section 29 of the Act or of any other enactment relating to safety or standards applicable in respect of the distribution business;
  - (c) in breach of any Grid Code or Distribution Code; or
  - (d) in breach of the conditions.

6. The licensee shall undertake metering point administration services in the most efficient and economic manner practicable having regard to the alternatives available and the other requirements of the licence and of the Act in so far as they relate to the provision of such services.
7. In the provision of metering point administration services the licensee shall not restrict, distort or prevent competition in the supply of electricity.

#### **Condition 14D. Functions of the Authority**

1. If, after a period which appears to the Authority to be reasonable for the purpose, the licensee has failed to enter into an agreement with an electricity supplier entitled or claiming to be entitled thereto pursuant to a request under standard condition 14C (Requirement to Offer Terms for the Provision of Metering Point Administration Services), the Authority may, on the application of such an electricity supplier or the licensee, settle any terms of the agreement in dispute between the licensee and the electricity supplier in such manner as appears to the Authority to be reasonable having (in so far as relevant) regard in particular to the following considerations:
  - (a) that the performance by the licensee of its obligations under the agreement should not cause it to be in breach of those provisions referred to at paragraph 5 in standard condition 14C (Requirement to Offer Terms for the Provision of Metering Point Administration Services);  
and
  - (b) that the terms and conditions of the agreement so settled by the Authority and of any other agreements entered into by the licensee pursuant to a request under standard condition 14C (Requirement to Offer Terms for the Provision of Metering Point Administration Services) should be in as similar a form as is practicable.
2. In so far as an electricity supplier entitled or claiming to be entitled to an offer under standard condition 14C (Requirement to Offer Terms for the Provision of Metering Point Administration Services) wishes to proceed on the basis of the

agreement as settled by the Authority pursuant to paragraph 1, the licensee shall forthwith enter into and implement such agreement in accordance with its terms.

3. If either party to such agreement proposes to vary the contractual terms of any agreement for the provision of metering point administration services entered into pursuant to standard condition 14C (Requirement to Offer Terms for the Provision of Metering Point Administration Services) in any manner provided for under such agreement, the Authority may, at the request of that party, settle any dispute relating to such variation in such manner as appears to the Authority to be reasonable.
4. The Authority may (following consultation with the licensee) issue directions relieving the licensee of its obligations under standard condition 14C (Requirement to Offer Terms for the Provision of Metering Point Administration Services) relating to metering point administration services in respect of such parts of that condition and to such extent as may be specified in the directions.

### **Condition 32. Interpretation of Section C (Distribution Services Obligations)**

[All definitions within the above condition remain the same save the following amendments]

|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "data transfer catalogue"                           | has the meaning given at paragraph <del>54(c)</del> of standard condition 37 (The Metering Point Administration Service and the Master Registration Agreement).                                                                                                                                                                                                                                 |
| <del>"metering point administration services"</del> | <del>means the services of the Metering Point Administration Service established in accordance with standard condition 37 (The Metering Point Administration Service and the Master Registration Agreement) or, where the context requires, means the equivalent services provided by other distribution services provider in accordance with the provisions of its distribution licence.</del> |
| <del>"Metering Point Administration Service"</del>  | <del>means the service to be established, operated and maintained by the licensee in accordance with standard condition 37 (The Metering Point Administration Service and the Master Registration Agreement).</del>                                                                                                                                                                             |

**Condition 37. The Metering Point Administration Service and the Master Registration Agreement**

- ~~1. The licensee shall establish, or procure the establishment of, and subsequently operate and maintain, or procure the subsequent operation and maintenance of, a service to be known as the "Metering Point Administration Service."~~
- ~~2. The Metering Point Administration Service shall, within the distribution services area, fulfil the following functions:~~
  - ~~(a) the maintenance of such a register of technical and other data as is necessary to facilitate supply by any electricity supplier to all premises connected to the licensee's distribution system within the distributions services area or, where so requested, connected to another distribution system within the distribution services area and to meet the reasonable requirements of electricity suppliers in respect of such premises for information for settlement purposes, including (where so required):~~
    - ~~(i) the identity of the electricity supplier responsible under the Balancing and Settlement Code (where the distribution services area is within England and Wales) and/or the Settlement Agreement for Scotland (where the distribution services area is within Scotland) for the metering point at such premises;~~

~~(ii) — the type of metering equipment installed at each such premises; and~~

~~(ii) — a unique and accurate address of each such premises so far as is reasonably practicable having regard to the nature and source of the information provided to the licensee;~~

~~(b) the amendment of the register maintained in accordance with subparagraph (a) to reflect changes of electricity supplier in respect of any premises;~~

~~(c) the provision, in a timely and efficient manner, of such data contained in the register as is reasonably required and requested to:~~

~~(i) — any electricity supplier or agent thereof;~~

~~(ii) — any person identified in the Balancing and Settlement Code (where the distribution services area is within England and Wales) and/or the Settlement Agreement for Scotland (where the distribution services area is within Scotland) as an appropriate person for the receipt of data for settlement purposes; and~~

~~(iii) — any person identified in the Master Registration Agreement as entitled to such data for the purpose of facilitating~~



~~changes of electricity supplier in respect of any premises;  
and~~

~~(d) — the maintenance of an enquiry service for the provision to any customer or an electricity supplier, on request and free of charge to that customer, of such data contained in the register as is relevant to the supply of electricity to premises which are (or are to be) owned or occupied by the customer, and the taking of such steps as will in the opinion of the licensee secure adequate publicity for the operation of the enquiry service.~~

1. The Metering Point Administration Service shall, where so requested, fulfil within the distribution services area the functions set out in standard condition 14 (Provision of the Metering Point Administration Service and Compliance with the Master Registration Agreement) in respect of all premises connected to another distribution system within the distribution services area.

32. The licensee shall use its best endeavours, in conjunction and co-operation with all other distribution services providers, to prepare and maintain a form of agreement to be known as the Master Registration Agreement.

43. The Master Registration Agreement shall be an agreement made between:

(a) on the one part, the licensee and all other ~~distribution services providers in their capacity as providers of metering point administration services~~ licensed distributors; and

(b) on the other part:

- (i) all electricity suppliers (or their agents) which require the provision of metering point administration services from at least one ~~distribution services provider~~ licensed distributor; and
- (ii) such other persons as are, for settlement purposes, appropriate parties to the agreement.

54. The Master Registration Agreement shall comprise:

- (a) terms for the provision of metering point administration services in accordance with the requirements of paragraph ~~2~~ 3 of standard condition 14 (Provision of the Metering Point Administration Service and Compliance with the Master Registration Agreement) and the equivalent requirements in the distribution licences of all other ~~distribution services providers~~ licensed distributors;
- (b) provisions to facilitate, and procedures and practices to be followed by electricity suppliers in relation to changes of electricity supplier in respect of any premises;
- (c) a catalogue of definitions, flows and forms of such data as may require to be transferred by or to parties to the Master Registration Agreement, or as

between any persons for settlement purposes or for any related purposes  
(the “data transfer catalogue”);

- (d) arrangements for the variation of the Master Registration Agreement following consultation with the parties, or representatives of the parties, to that agreement;
- (e) provisions (which shall require to be approved in advance by the Authority) by virtue of which the whole or specified parts of the Master Registration Agreement shall not be capable of variation without the prior approval of the Authority; and
- (f) such other matters as are or may be appropriate for the development, maintenance and operation of an efficient, co-ordinated and economical system for the supply of electricity and for the purpose of facilitating competition in electricity supply.

## Appendix 4

# NOTICE UNDER SECTION 11A (3) OF THE ELECTRICITY ACT 1989

The Gas and Electricity Markets Authority ("the Authority") pursuant to section 11A (3) of the Electricity Act 1989 ("the Act") hereby gives notice as follows:

1. The Authority proposes to modify, pursuant to section 11A (3) of the Act, the standard conditions of the licences granted and treated as granted under section 6(1)(c) of the Act by amending Standard Licence Conditions 1, 14, 32, and 37 and including new Standard Licence Conditions 14A, 14B, 14C and 14D.
2. The nature of the modifications and their effect are set out in the text of, and Appendix 3 Parts 1 and 2, to the document "*Distributor provision of MPAS Services Decision Document, June 2003*".
3. The effect of the modifications now proposed to be made are to require all distribution licence holders to provide a Metering Point Administration Service in accordance with the Master Registration Agreement to electricity suppliers for metering points connected to their networks and to regulate the manner in which these services are provided.
4. The reasons why the Authority proposes to make the modifications are set out in the documents:
  - a) *Distributor provision of MPAS Services Consultation Document, April 2003*
  - b) *Distributor provision of MPAS Services Decision Document, June 2003*
5. Copies of the documents referred to in paragraph 2 and 4 are available (free of charge) from the Ofgem Library, 9 Millbank, London, SW1P 3GE (020 7901 7003) or on the Ofgem website [www.ofgem.gov.uk](http://www.ofgem.gov.uk).
6. Any representations or objections with respect to the proposed modification may be made on or before 23<sup>rd</sup> July 2003 and should be addressed to Catherine Monaghan, Ofgem, 9 Millbank, London, SW1P 3GE (020 7901 7176) or [catherine.monaghan@ofgem.gov.uk](mailto:catherine.monaghan@ofgem.gov.uk).

John Neilson  
Duly authorised on behalf of the Authority

25<sup>th</sup> June 2003

  
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