



Mark Feather
Director Industry Codes and Licensing
Ofgem
9 Millbank
London
SW1P 3GE

MRA Service Company Limited
7th Floor Centurion House
24 Monument Street
London
EC3R 8AJ

Tel: 020 7090 1029
Fax: 020 7090 1001
email: helpdesk@mrasco.co.uk

www.mrasco.com

27th February 2009

Dear Mark

Ofgem Code Governance Review

The MRA Executive Committee welcomes the proactive approach Ofgem have taken to reviewing Code Governance arrangements. Rather than respond individually to the two consultations recently issued on Major Policy Reviews and the Role of Code Administrators, we are focusing on the key issues of relevance to the MRA. The appendix to this response contains detailed feedback on the relevant questions raised in the consultation.

We strongly support the move towards enhanced self governance arrangements, as our experience of the MRA is that this model works well. Small suppliers and network operators engage at all levels of the MRA and actively contribute to the development of change proposals. The nature of the MRA Services Agreement supports a robust market entry process which provides new entrants with a detailed understanding of the Agreement and a range of contacts within MRASCo who can be called upon to offer support as and when required. The commercial framework which exists between MRA Parties and MRASCo provides incentives and controls on the administrator to deliver quality support services on a cost effective basis.

We do not however support a number of the initiatives proposed in the consultations as we do not believe they are required.

Automatic appeal rights for small participants and consumer representatives will introduce asymmetric arrangements which are unnecessary. Appeal mechanisms should be available to all parties to an Agreement rather than to a subset of parties. Consumer representatives where they have the ability to vote on a change proposal should have the ability to appeal a decision however they should not have rights of appeal over and above those available to parties to the agreement.

Consumer representatives should be able to attend Panel and Executive Committee meetings as and when they wish to do so rather than being expected to attend all meetings. Given the resource constraints consumer representatives face it would be unreasonable to expect such representatives to attend every meeting. An approach of targeted engagement would be more meaningful where consumer representatives can attend such meetings when significant matters of interests are likely to be discussed. Code administrators can take a more active role in liaising with consumer representatives to ensure that they are kept up to date with industry changes with a consumer impact.

MRA

A Code of Practice for Code Administrators appears to be unnecessarily burdensome if it is introduced on a mandatory basis. It is likely that this would require its own administrator and associated change process. A more pragmatic approach would be for there to be adoption of the principles agreed by the Code Administrators Working Group in relation to standardisation of modification proposal templates, common terminology etc on a cross code basis.

We welcome the strategic and broad approach Ofgem are taking regard to reforming the Code arrangements and actively support the majority of the reforms set out within this consultation.

If you require any further information or would like to meet with us in person to discuss our response please contact me through MRASCo on 0207 090 1029.

Yours sincerely

John Sykes
MEC Chairman