



Jon Dixon
Head of Industry Codes & Licensing
3rd Floor,
Ofgem
9 Millbank
London
SW1P 3GE

MRA Service Company Limited
7th Floor Centurion House
24 Monument Street
London
ECR3 8AJ

Tel: 020 7090 1029
Fax: 020 7090 1001
email: helpdesk@gemserv.com

www.mrasco.com

18th September 2009

Dear Mr Dixon

Re: Code Governance Review: Role of code administrators and small participant/consumer initiatives

The MRA Executive Committee (MEC) welcomes the opportunity to respond to Ofgem's consultation 'Role of code administrators and small participant/consumer initiatives'.

We recognise that the consultation's proposals are not currently intended to apply to the Master Registration Agreement (MRA). However, since MEC wholeheartedly supports the aims set out in the consultation – improving the representation and engagement in the change processes enjoyed by consumers and small participants, and improving the transparency and accountability of code administrators – we would like to take this opportunity to make a contribution to the debate.

The MRA already embodies many elements of the 'critical friend' approach, as the code administrator's duties include helping parties to the Agreement to design and draft modifications. However, the proposal that the critical friend should challenge cost assumptions would be difficult to implement in MRA governance, as only a small proportion of MRA activity and change proposals relate to central systems, so costs are dependent on market participants' own assessments. We support the idea that this proposal should only apply to those of the 'larger' codes which are more directly concerned with the management of central systems.

The MRA also recognises the needs of the consumer and small participants. Consumer Focus is entitled to attend MEC in a non-voting role, whilst small Suppliers and small Distribution Businesses both have representatives on the change committee, the MRA Development Board (MDB). Small participants' views are sought through consultations and industry impact assessment, and then articulated at the relevant meetings by either the respondent or the code administrator. There is scope for more pro-active gathering of smaller participants' views, but we feel that the extent to which this is done should, be governed by the size of the agreement in question and the proportionate increase in the costs to fund it that would be required to go down this route.

MEC supports the concept of 'call-in' and 'send-back' for modifications. MRA clause 9.5 lists the MRA provisions, change to which requires Authority consent. All other changes are made via self-governance, and only come before the Authority if the outcomes – and the

MRA

outcomes of the appeal to the MRA Forum – are further appealed. This means that ‘call-in’ and ‘send-back’ would only be appropriate for modifications that relate to those specific provisions.

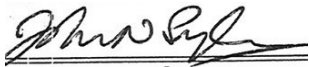
MEC supports the proposal that code panels would be required to provide reasons for their decisions. Measuring decisions against code objectives would not currently be appropriate for the MRA however, as the MRA does not currently have a set of objectives in the manner of several of the other codes.

Finally, we welcome the move to make the proposed Code of Practice for code administrators voluntary rather than mandatory. We would look to adhere to its principles, and as such we feel it would be extremely useful to have direct input at the drafting stage.

We welcome the strategic and broad approach Ofgem are taking with 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
Chair
MRA Executive Committee