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21 September 2010

Dear Mark

OPEN LETTER CONSULTATION: POTENTIAL SIGNIFICANT CODE REVIEWS (SCRs)

Thank you for your open letter dated 12th August 2010.

In our letter of 23rd August 2010, we responded on the subject of Ofgem's Code Governance Review final proposals. In that response, we advocate a framework that encourages voluntary accession to the new Code of Practice to promote transparency and shared best practice on cross code issues.

In light of the potential SCR regarding smart metering impact on wider industry processes, we believe this voluntary framework approach would help ensure better alignment across the various codes. Noting in particular that it is expected for relevant codes (UNC, BSC and CUSC) to be mindful of the SCR consultation/process and to therefore allow change proposals to be formally subsumed in the SCR process, i.e. not to be progressed unless considered urgent or exempt.

More specifically, the SCR anticipates changes to the customer transfer process and acknowledges that in addition to the relevant codes, changes may be required to the Master Registration Agreement (MRA) and the Supply Point Administration Agreement (SPAA). Whilst this is not unexpected, there are a number of considerations:

- **Change Management:** a comprehensive review of the MRA is already underway in light of the Government's Smart Metering Implementation Programme (SMIP) Prospectus. We would expect to manage any relevant changes under the MRA's change management governance arrangement. In that regard, it would be helpful

to liaise with Ofgem regarding how this might be coordinated alongside changes driven by the SMIP and considering the SCR as it progresses.

- **An inclusive approach:** any proposed changes to the Change of Supplier process should be made fully transparent to the MRA and SPAA to ensure that there are full and proper impact assessments, such that any consequences are fully understood and managed. We have noted that there are to be workshops, meetings and consultations and would therefore appreciate a further discussion with Ofgem on how MRA considerations can be best factored into the SCR process.
- **Effective communication:** as thinking evolves throughout the SCR process, there will be ongoing communications both published on the Ofgem website and issued to the relevant industry code panels. We therefore ask, given the MRA and SPAA impacts, Ofgem include the MRA and SPAA Code Administrators within its direct communications.

We will arrange for Gemserv to contact you to discuss how best to progress the considerations noted above. In the meantime, please do not hesitate to contact us if you have any questions.

Yours sincerely,

Handwritten signature of Alex Travell, consisting of the letters 'ACT' followed by a stylized flourish.

Alex Travell

Chair, MRA Executive Committee