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Dear Liz,

SMART METERING SPRING PACKAGE – ADDRESSING CONSUMER PROTECTION ISSUES

Thank you for the opportunity to respond to the above consultation.

The MRA Executive Committee (MEC) is responsible for the operation and ongoing development of the Master Registration Agreement (MRA). The MRA governs the rules and processes for the transfer of customers between electricity suppliers in the GB market.

It is in this capacity that MEC provides information relating to the potential impacts on the MRA and its subsidiary documents and processes.

Our response thus focuses on those areas where the MRA can support the governance required in support of the proposed new licence obligations, and as such does not comment on the specific impacts on industry parties.

Please do not hesitate to contact us if we can help further.

Yours sincerely,

Alex Travell

Chair

MRA Executive Committee

MRA Response

Ofgem is asked to note that the MRA Executive Committee is commenting only where there may be a direct or consequential impact on the MRA or its subsidiary documents and processes. These comments are provided in the context of impact on the governance requirements, and are therefore not intended to be a response on behalf of parties to the MRA in relation to their own internal procedures and processes.

1. Summary

This response focuses on five key aspects:

- prepayment;
- load limiting;
- PPMIP considerations;
- the MRA change management process; and
- Technical design mechanisms.

At a summary level, the MRA will need to consider:

- Traditional 'dumb' credit meters for both domestic and non-domestic supplies;
- Traditional 'dumb' pre-payment meters for both domestic and non-domestic supplies;
- Smart meters for domestic customers which can switch between credit and pre-payment;
- Smart meters for non-domestic customers; and
- Automated Meter Reading (AMR) meter types (i.e. NHH, but Metering CoP 10 compliant).

2. Prepayment

The consultation contains a number of proposals in relation to prepayment functionality. Whilst many of these may well assist in the management of such meters, particularly during the Change of Supplier process, there may be consequential impacts on the MRA and its products and processes. Considerations include:

- How smart meters that cannot readily operate in dumb prepayment mode (i.e. because there would be no physical means to top up the meter) may best be managed on Change of Supplier.
- Distinguishing between meter types e.g. between traditional and dumb prepayment meters.
- Identifying what mode a smart meter is operating in at the point of both the commencement and completion of the Change of Supply process.

Any new obligations placed on Suppliers when considering possible change would need to allow for sufficient time to make the necessary changes via the MRA governing procedures (see Appendix for details of the governance change timescales).

3. Load Limiting

It is proposed to make it explicit that load limiting and credit limiting of domestic supplies amount to disconnection in the following circumstances:

- credit management where it amounts to stopping the supply to the domestic premises except where the domestic customer uses a prepayment meter; and
- load limiting where the supply to the domestic premises is significantly constrained except where the domestic customer uses a prepayment meter.

Currently, the MRA provides for processes in relation to Disconnections in two ways:

- the removal of a supply at site, often referred to "site works" and relating to physical disconnection events in the MRA and its products; and
- the removal of the Meter Point Administration Number (MPAN) from the market, thus ending the current Supplier's registration and preventing the MPAN being transferred to a new Supplier. This process is also known as "de-registration".

Under the proposed changes, Meter Point Administration Services (MPAS) and Suppliers would need to be aware of load limiting as this could impact on both the Change of Supplier and "de-registration" processes. In order to provide this information, a means of identifying such sites may be required.

4. PPMIP Considerations

Analysis undertaken by the Smart Metering Implementation Programme, has confirmed that, under smart metering, there will be no requirement for services equivalent to those provided by PPMIPs. However, PPMIP services will need to continue while dumb prepayment meters are still in use.

Clause 54.1 of the MRA requires that Suppliers assign a Pre-Payment Metering Infrastructure Provider (PPMIP) in respect of any metering point that is served by a prepayment meter.

A change to this clause may be required in order to differentiate between those pre-payment metering systems that require the traditional pre-payment infrastructure to support the transfer of monies and those that do not.

5. MRA Change Management Process

MEC's response of 26th October 2010 to Ofgem's Smart Metering Prospectus, set out in some detail the MRA Change Management Procedure (see Appendix). The MRA provides fixed minimum timings for certain activities in the change process, albeit there is also some flexibility over lead-in times for change in order to allow parties sufficient time to introduce changes to their own processes and systems if required.

The implementation period for change can vary from a very short period where, for example, a change relates only to housekeeping, up to approximately a year where there are significant system changes required to either market or parties own systems and processes.

Ofgem is asked to note the typical timings for activities leading to the agreement and implementation of any change raised by a party under the MRA, in relation to any changes introduced as a consequence of the Spring Package.

6. Technical Design Mechanisms

As noted above, the MRA has been in operation for over twelve years, with a robust change process that conforms to the principles of good governance that evolves over time in relation to the changing needs of the parties. Under the MRA Change Management Process, specialist technical groups (known as an Issue Resolution Expert Group – IREG) are convened to assess changes to the MRA and its associated products and processes. The approach ensures that a strong cross section of relevant industry experts are brought to bear to conduct technical reviews, develop and propose technical solutions to issues, and to propose timeframes and techniques for implementing changes.

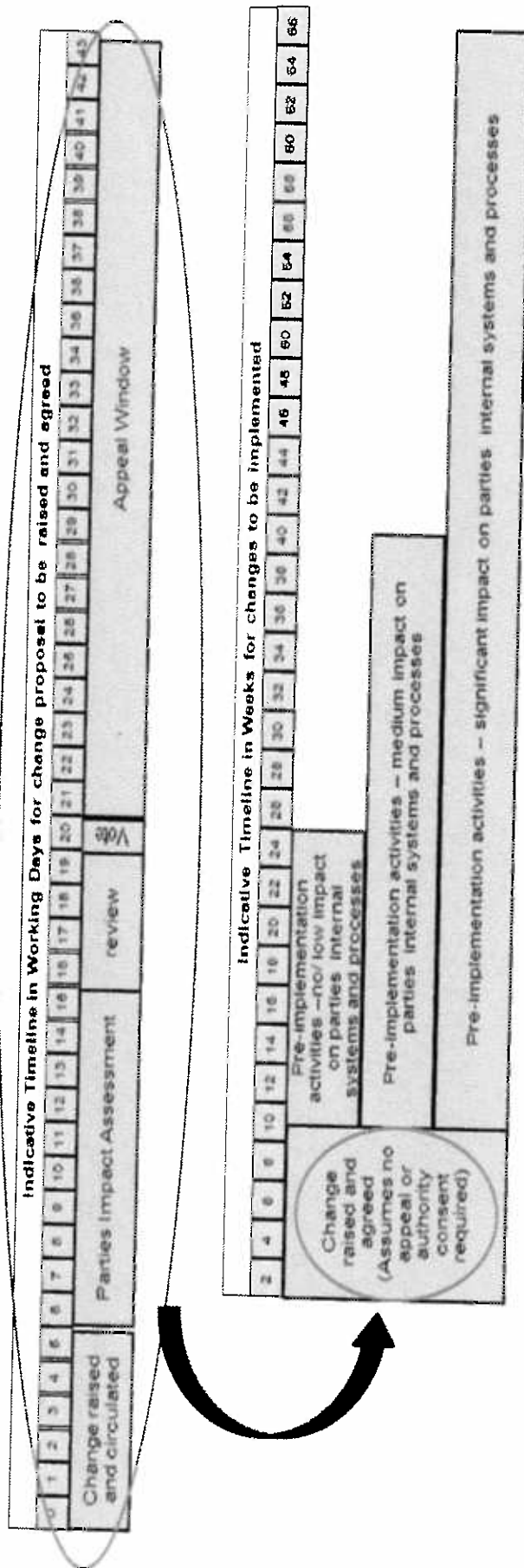This approach has operated very effectively for many years, with the benefit of GB wide industry participation.

MEC looks forward to ensuring that the specialist group approach is appropriately deployed in support of Ofgem's considerations under the Smart Metering Spring Package by further developing IREG's current analysis and debate in regard of the identification of smart meters and the modes in which they are operating.

Appendix – Timelines for the MRA Change Process

In order to provide context to any potential changes to the MRA or MRA Products, it may be beneficial to consider the change process governed under the MRA. The current change process is set out in MAP06 *The Change Management Procedure for MRASCo Products*, and this document sets out the activities required in relation to change management procedures including the timescales for change.

Clearly, if there are to be any changes to the MRA or the MRA Products and processes because of impact from the SMIP, the timings of such changes will be crucial to the continued successful operation of the GB electricity market. The MAP provides fixed minimum timings for certain activities in the change process, but there is also flexibility over lead-in times for change in order to allow parties sufficient time to introduce changes to their own processes and systems if required. Typical timings for activities leading to the agreement and implementation of a change proposal raised by a party are set out below.

Indicative Timeline in Working Days for change proposal to be raised and agreed

0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43

Change raised and circulated | Parties Impact Assessment | review | Vote | Appeal Window

Indicative Timeline in Weeks for changes to be implemented

2	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	44	46	48	50	52	54	56	58	60	62	64	66

Change raised and agreed (Assumes no appeal or authority consent required)

Pre-implementation activities – no/ low impact on parties internal systems and processes

Pre-implementation activities – medium impact on parties internal systems and processes

Pre-implementation activities – significant impact on parties internal systems and processes

Whilst the above demonstrates the typical timescales for changes to be agreed, it must be noted that the implementation period can vary from a very short period where, for example, a change relates only to housekeeping, up to approximately a year where there are significant system changes required to either market or parties own systems and processes. This is reflected in the likely minimum and maximum elapsed times shown in the table below.

Step	Elapsed Weeks			Notes
	Min	Typical	Max	
Change raised and circulated	1	1	5	Changes may be raised at any time, but there are fixed periods for impact assessment; the timings shown for this step reflect the fixed nature of the issue of the change assessment form in relation to the MRA Development Board (MDB).
Parties impact assessment	2	2	2	This is a fixed period, based on the need to issue responses to parties five working days prior to the voting at MDB.
Voting	1	1	5	Includes the time between issue of documents and the actual vote. If MDB defer a vote, the CP will generally be considered again at the next MDB, the maximum value shown reflects this.
Appeal Window	4	5	8	Where an appeal is raised, there are a number of defined timings which relate to the progression of the appeal.
Development time for parties	1	24	46	Where a change is, for example, a housekeeping change, or is an emergency change, the parties could agree to implement immediately. In practice, parties will almost always require development time. At the other extreme, parties could require any length of time to implement system changes, in practice it is unlikely that anything less than a complete change to systems and process would require more than one year.
TOTAL	9	33	66	Note that if authority consent is required the change 'clock' stops until this is received.

From this, it can be seen that any changes introduced as a result of the SMIP will need to be raised in sufficient time to allow for development by parties, whilst being mindful of the key milestone dates for SMIP deliverables.