

Modification proposal:	<b>Master Registration Agreement (MRA) Change Proposal (CP) 0225: Amendments to the Legal Drafting of MRA CP0218 - EU Third Package</b>		
Decision:	The Authority <sup>1</sup> has decided to approve <sup>2</sup> this modification <sup>3</sup>		
Target audience:	MRA Executive Committee, Parties to the MRA and other interested parties		
Date of publication:	29 January 2015	Implementation date:	26 February 2015

## Background

On 5 November 2014, we approved MRA Change Proposal (CP) 0218.<sup>4</sup> CP0218 made a number of changes to the MRA governance rules (particularly Clause 9 'Change Control') to ensure these align with licence changes made to implement the EU Third Package.<sup>5</sup> In our CP0218 decision letter we noted that some further clarificatory changes to the CP0218 text were being considered. These were discussed with the MRA Development Board (MDB) during the development of the CP0218 text. MDB raised MRA CP0225 to propose these further changes.

## The modification proposal

CP0225 seeks to further amend the CP0218 legal text approved by us. The proposed text changes aim to improve the CP0218 text and further align it with the licence drafting, eg. by adding appropriate cross-references, in Clauses 9.18I, 9.18I.2 and 9.20 of the MRA.

## MRA Development Board (MDB)<sup>6</sup> and MRA Forum

At the MDB meeting on 27 November 2014, the MDB unanimously considered that CP0225 would better facilitate the requirements of Electricity Distribution standard licence condition (SLC) 23 and therefore recommended its approval. No appeals to the MRA Forum were made.

<sup>1</sup> References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

<sup>2</sup> This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

<sup>3</sup> 'Change' and 'modification' are used interchangeably in this document.

<sup>4</sup> The CP0218 decision letter is here: <https://www.ofgem.gov.uk/publications-and-updates/master-registration-agreement-mra-change-proposal-cp-0218-eu-third-package-%E2%80%93-authority-powers>

<sup>5</sup> The term 'Third Package' refers to Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC (Electricity Directive); Regulation (EC) No 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003 (Electricity Regulation); Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (Gas Directive); Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (Gas Regulation); and Regulation (EC) No 713/2009 of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators (ACER). Licence changes made to implement the Third Package can be found here:

<http://www.legislation.gov.uk/ukxi/2011/2704/part/1/made>. We made further consequential licence changes relevant to implementation of the Third Package (see our licence modification decision here:

<https://www.ofgem.gov.uk/publications-and-updates/decision-modify-gas-and-electricity-licence-conditions-following-implementation-third-package-and-other-house-keeping-changes>)

<sup>6</sup> The MRA Executive Committee (EC), established pursuant to Electricity Distribution standard condition 23.7(a), delegates its decision making power in respect of proposed code modifications to MDB, a sub-committee of MRA EC.

## **Our decision**

We have considered the issues raised by the modification proposal and the Change Report received on 23 December 2014.<sup>7</sup> We have considered and taken into account the responses to the industry impact assessment. We have concluded that:

- implementation of the modification proposal will better facilitate the requirements of Electricity Distribution SLC 23;<sup>8</sup> and
- directing that the modification is approved is consistent with our principal objective and statutory duties.<sup>9</sup>

## **Reasons for our decision**

CP0225 clarifies the changes made by CP0218 to the MRA governance rules to align and achieve greater consistency between them and the EU Third Package licence changes made to SLC 23. We consider that implementation of CP0225 better facilitates the requirements of SLC 23 compared with the existing provisions, is consistent with our principal objective and statutory duties, and should therefore be implemented.

## **Decision notice**

In accordance with SLC 23 of the Electricity Distribution Licence, the Authority hereby approves modification MRA CP0225 '*Amendments to the Legal Drafting of MRA CP 0218 - EU Third Package*'.

**Lesley Nugent**  
**Head of Industry Codes and Licensing**

Signed on behalf of the Authority and authorised for that purpose

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<sup>7</sup> MRA modification proposals and change reports can be viewed at [www.mrasco.com](http://www.mrasco.com)

<sup>8</sup> Standard licence conditions are available at: <https://epr.ofgem.gov.uk/>

<sup>9</sup> The Authority's statutory duties are wider than matters that the Panel must take into consideration and are detailed mainly in the Electricity Act 1989 as amended.