

Modification proposal:	Master Registration Agreement (MRA) Change Proposal (CP): 0231 – Amendments to reflect the Introduction of MRA Objectives into the Electricity Distribution Licence		
Decision:	The Authority ¹ has decided to approve ² this modification ³		
Target audience:	MRA Executive Committee, Parties to the MRA and other interested parties		
Date of publication:	2 July 2015	Implementation date:	one working day after Authority Consent

Background

Under our Code Governance Review Phase 2 (CGR2)⁴, we set out that it would be beneficial to introduce relevant objectives for the MRA, in line with other codes and with the existing provisions of standard licence condition (SLC 23) of the electricity distribution licence. We considered that introducing objectives would improve transparency in the MRA’s decision-making process and aid more robust and consistent analysis of the justification for any proposed change. We also noted that it would bring the MRA into line with the other industry codes, reducing complexity and differences in the industry code arrangements. We encouraged industry to take appropriate steps to address this.

Following our CGR2 final proposals⁵, the MRA Executive Committee⁶ assessed and consulted on the scope and drafting of proposed MRA objectives. In April 2015, we issued our decision⁷ to amend SLC 23 of the electricity distribution licence, to introduce six applicable objectives to the MRA. This licence change came into effect on 23 June 2015. It requires that the MRA is designed to facilitate the achievement of the applicable MRA objectives and that changes to the MRA are assessed against these objectives.

The modification proposal

MRA CP 0231 seeks to make a number of amendments to the MRA to reflect the incorporation of MRA objectives within the electricity distribution licence.

MRA Development Board (MDB)⁸

At the MDB meeting on 28 May 2015, MDB recommended approval of MRA CP 0231, subject to the Authority’s consent. In particular, MDB considered that the modification would better facilitate arrangements for the variation of the MRA following consultation with MRA parties or their representatives.

¹ 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.

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

³ ‘Change’ and ‘modification’ are used interchangeably in this document.

⁴ <https://www.ofgem.gov.uk/licences-codes-and-standards/codes/industry-codes-work/code-governance-review>

⁵ https://www.ofgem.gov.uk/sites/default/files/docs/2013/03/cgr-2---final-proposals_0.pdf

⁶ Through the Code Review Expert Group (CREG), a sub-committee of MRA Executive Committee established in accordance with clauses 6.53 and 6.54 of the MRA, to review Ofgem’s Code Governance Review.

⁷ https://www.ofgem.gov.uk/sites/default/files/docs/2015/04/electricity_slc_modification_notice_mra_objectives_28_april_2015_published_3.pdf

⁸ The MRA Executive Committee, 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 Executive Committee.

Our decision

We have considered the issues raised by the modification proposal and the Change Report dated 23 June 2015⁹. We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the applicable objectives of the MRA¹⁰; and
- consenting to the modification being made is consistent with our principal objective and statutory duties.

Reasons for our decision

We consider that this change will better facilitate applicable objective (d) of the MRA and has a neutral impact on the other MRA applicable objectives.

Objective (d) to efficiently discharge the licensee's obligations under the licence

The recent licence modifications made to introduce MRA objectives are now in force. This change will ensure that the licensees can efficiently discharge their obligation to assess MRA changes against the applicable MRA objectives, through the MRA governance procedures. Reflecting this licence change within MRA should ensure clearer and more consistent analysis of MRA modification proposals. It will implement a more transparent basis for decisions and recommendations on MRA change proposals and it will bring the MRA in line with other industry codes.

Decision notice

In accordance with SLC 23 of the Electricity Distribution Licence, the Authority hereby approves modification MRA CP 0231 – Amendments to reflect the Introduction of MRA Objectives into the Electricity Distribution Licence.

Lesley Nugent
Head of Industry Codes and Licensing

Signed on behalf of the Authority and authorised for that purpose

⁹ MRA modification proposals and change reports can be viewed at www.mrasco.com

¹⁰ As set out in SLC 23.3A of the electricity distribution licence:
<https://epr.ofgem.gov.uk/Content/Documents/Electricity%20Distribution%20Consolidated%20Standard%20Licence%20Conditions%20-%20Current%20Version.pdf>