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By email only to: smartermarkets@ofgem.gov.uk

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Dear Andrew

Moving to reliable next-day switching: consultation on a target operating model

Thank you for the opportunity to respond to the above consultation. This letter should be treated as a consolidated response on behalf of UK Power Networks' three distribution licence holding companies: Eastern Power Networks plc, London Power Networks plc, and South Eastern Power Networks plc. It is not confidential and can be published via the Ofgem website.

Our answers to the consultation questions are provided in the appendix to this letter and we hope that you will find our comments helpful. If any part of our response requires further explanation or clarification, please do not hesitate to contact me.

Yours sincerely



Keith Hutton
Head of Regulation
UK Power Networks

Copy: Paul Measday, Regulatory Returns & Compliance Manager, UK Power Networks

Appendix

Moving to reliable next-day switching: consultation on a target operating model

Question 1 – Do you agree with the requirements set out in the TOM?

While generally we agree with the requirements set out in the TOM, we believe the scope should be extended to cover the three elements described below:

1. Unmetered equipment (please see the first bullet of paragraph 2.05 of the consultation document)

Currently inventories of unmetered equipment are submitted to the Unmetered Supplies Operator (UMSO) of the relevant licensed distributor and, depending on the characteristics of the equipment, are issued one or more Meter Point Administration Numbers (MPANs). This process allows operators of unmetered equipment to change supplier under the current registration arrangements. MPANs generated by the relevant distributor's UMSO should be recognised by the new registration system. This will allow operators of unmetered equipment to access the competitive supply market in the same way as customers with metered supplies.

2. Consumers supplied on licence-exempt networks (please see the first bullet of paragraph 2.05 of the consultation document)

Most licence-exempt distribution network operators have end customers who wish to choose their electricity supplier. To facilitate this, the licensed distributor who has provided a point of connection to the licence-exempt distribution network operator will issue MPANs to these end customers (for example, residents of flats where the network is owned by the landlord). Any new registration process should continue to allow licensed distributors to issue MPANs for exit points on a licence-exempt distribution network. This will ensure that customers of licence-exempt distribution network operators have access to the competitive supply market in the same way as those who are directly connected to a licensed distributor.

3. Network charging support (please see the sixth bullet of paragraph 6.02 of the consultation document)

In addition to network charging support, licensed distribution network operators will require access to registration data for a number of other activities not specifically mentioned in the consultation document, such as regulatory reporting, Green Deal compliance, customer service, network operation, asset management and smart grid operation.

Question 2 – Is our description of the requirements sufficiently comprehensive to progress the design of our reforms during the next phase of the programme?

Yes. The high level description of the requirements should allow progress to the next design stage.

Question 3 – Are there any additional requirements that should be captured in the TOM?

Please see our answer to question 1 above.