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Dear Rachel

**Consultation on Switching Programme and Retail Code Consolidation; Proposed changes to licences and industry codes - relating to the Retail Energy Code (REC) Manager role and Meter Point Administration Service (MPAS)**

Thank you for the opportunity to comment on the consultation on the proposed changes to licence and industry codes relating to the REC Manager role and MPAS.

Electricity North West continues to support the objectives of the Switching Programme and welcomes the ongoing dialogue with Ofgem on consequential changes to other industry codes to deliver the Switching Programme and retail code consolidation.

We note the urgency on these proposals and the timescales for further development are shorter than the wider consultation. The following table gives our detailed responses to your specific questions:

Ref.	Question	Comment
1.3	<b>Do you consider that the methodology as set out above is appropriate?</b>	Yes. We agree that the methodology as set out under paragraph 1.17 is on the whole appropriate. However, we recommend the 8 <sup>th</sup> bullet point is amended and strengthened to ensure the REC Code Manager or other service providers not only proactively engage with stakeholders but act upon learning's from stakeholders. Our suggested amending wording is as follows: <ul style="list-style-type: none"> <li>• <i><u>“Proactively and innovatively engaging with and acting on learning’s from stakeholder engagement; and”</u></i></li> </ul>
1.4	<b>Do you have any comments on the scope of services?</b>	Yes, It would also be worth considering if a standalone independent ‘Critical Friend’ service is created to fulfil delivery of the following part of the REC Manager’s mission statement for <i>“Support to parties - to ensure Users and third parties have a positive experience when engaging with the REC and to act as an impartial and accountable critical friend.”</i> This service could monitor other REC Manager services are meeting the critical friend standards for impartiality.

<p><b>1.5 Do you agree with our outline proposals on the set-up of the REC Manager?</b></p>	<p>No we do not agree with the PAB having oversight of REC Manager functions beyond 'Performance Assurance and Compliance Monitoring' in the absence of further details on which functions this is referring too. Whilst we agree with and see the logic of establishing the early operation of the PAB to prepare for the transition of entry assessment; the PAB would not be an appropriate oversight body for other Code Manager service such as Code Change Management, Stakeholder Engagement, Cross Code Collaboration, which require a different set of skills, expertise and decision making working principles.</p>
<p><b>4.3 Which option outlined above do you think is best suited to govern MPAS (as defined above) once the MRA has closed, and why?</b></p>	<p>We agree with the following Ofgem statements that:</p> <ul style="list-style-type: none"> <li>• <i>"The MPAS provisions within MRA dictate how DNOs manage a core part of their business"</i> (para. 4.21),</li> <li>• <i>"..the MPAS provisions do not fit within the scope of the REC, as the majority of data is used for non-retail arrangements"</i> (para 4.25); and</li> <li>• <i>"placing MPAS under the governance of the REC would not support harmonisation of governance across electricity and gas, as there are no proposals to move the governance of UK Link to the REC"</i> (para. 4.26).</li> </ul> <p>MPAS governance should be moved to DCUSA once the MRA has closed for the aforementioned reasons and because:</p> <ol style="list-style-type: none"> <li>1. A DCUSA objective is for the development, maintenance and operation of an efficient, co-ordinated and economical Distribution System to ensure customers lights remain switched on. We use the non-retail data from MPAS such as the energisation status to enable us to fix faults and ensure our employees, other industry employees, customers and the general public are safe.</li> <li>2. This would future proof against reopening the REC under the Energy Codes Review Significant Code Review if the DCUSA is consolidated into a Network Code along with other network codes such as CUSC and the Distribution Code.</li> </ol> <p>The vast majority of data flow activity within MPAS relates to non retail activity such as:</p> <ul style="list-style-type: none"> <li>• Metering Point Administration Data (MPAD) updates which are routed to our distribution system for use in calculating Line Loss Factors (LLFs); and</li> <li>• Handling data refresh requests from suppliers and data aggregators.</li> </ul> <p>We recognise the introduction of Stage 0 changes has added the responsibility to MPRS of handling the MTD processing into ECOES. However, with the CSS being the new master of switching following the migration of data we expect the role of MPAS for retail dataflow activity to reduce even further such as for:</p> <ul style="list-style-type: none"> <li>• the production and issuing of the monthly and annual Ofgem switching reports; and</li> <li>• correcting incorrect registration updates via the MAP04 process.</li> </ul> <p>We recommend industry ask Electralink with support of Ofgem to conduct a review of data flow activity. The review would provide a full picture across industry on the current use of MPAS to help inform any decision making process regarding the future home of MPAS governance and to</p>

ensure that home is fit for purpose following the full Energy Code consolidation. We recommend the review distinguish between retail and non retail data flow activity and flag which retail data flow activity will transfer over to the CSS on go live.

There is a precedent for Electrakink analysing data flow activity such as regarding D0150 data flow monitoring for the monthly smart meter installs. The users of the Data Transfer Service have given Electralink permission to intercept and analysis these dataflows across the Data Transfer Network subject to certain conditions.

**4.4 Do you have serious concerns about the suitability of any of the options for the future governance of MPAS, outlined above?**

Yes we do have concerns with the suitability of the other options (moving the MRA to the REC and/or BSC) for the future governance of MPAS as follows:

1. This would not centralise the governance as there are 14 individual DNO MPASs.
2. This would not harmonise electricity with gas as there are no proposals to move the governance of UK Link to the REC.
3. The scope of the REC and/or BSC have alternative objectives and governance to DUCSA which could create unnecessary complexity and barriers to DNOs using MPAS non-retail data to develop, maintain and operate an efficient, co-ordinated and economical Distribution System. Introducing complexity and fragmentation as part of the Retail Codes Consolidation is opposed to the aims of the Energy Codes Review to simplify and remove barriers.

I hope these comments are helpful. Please do not hesitate to contact me or Catherine Duggan (07775 547624) if you want to discuss any aspect of this response.

Yours sincerely



**Paul Auckland**

**Head of Economic Regulation**