

Rachel Clark
Switching Programme
Ofgem
9 Millbank
LONDON
SW1P 3GE

29 July 2019

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

Dear Rachel,

Re: Switching Programme and Retail Energy Code Consolidation: Proposed changes to licences and industry codes

Thank you for the opportunity to comment on 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.

I can confirm that we remain fully supportive of Ofgem's principle to deliver a Central Switching Service that will build customer confidence, facilitate competition and deliver 'better' outcomes for all customers. Our answers to your initial questions are set out in the Appendix to this letter.

If you have any queries regarding them please do not hesitate to contact Hazel Cotman in the first instance.

Yours sincerely



James Hope
Head of Regulation and Regulatory Finance
UK Power Networks

Copy Paul Measday, Regulatory Returns & Compliance Manager, UK Power Networks
Hazel Cotman, Income Systems Workstream Lead, UK Power Networks



Appendix

Question 1.3: Do you consider that the methodology as set out above is appropriate?

We believe as part of the REC Code Manager's mission statement there should be incentives for the REC Code Manager to operate with due regard to the environment and also in an economically efficient fashion therefore we propose these should be added to the mission statement.

Question 1.4: Do you have any comments on the scope of services?

We have no specific comments in respect of the scope of services.

Question 1.5: Do you agree with our outline proposals on the set-up of the PAB? Do you foresee any problems with these proposals?

We have no specific comments in respect of this question.

Question 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?

We have a preference for the MPAS obligations to sit under one code. A number of service provisions regarding the MPAN lifecycle and related data currently sit under DCUSA. We consider that is the best place for MPAS obligations to be situated going forward. DCUSA is jointly funded by Distributors and Suppliers, and Distributors have established voting rights which is not currently the case for the BSC.

The majority of MPAS data is used for non-retail arrangements focusing on DNO, Supplier and their agent's processes. Therefore our view is the MPAS obligations will not easily fit within the REC which is retail focused. This would be a consistent approach with gas retail governance which will also sit outside of the REC.

In section 4.43, it notes that DCUSA does not currently have a mandate for cross-code coordination, however, DCUSA is a party to Code Administration Code of Practice (CAPoP). As part of the code governance review it may determine, in future, that a mandate is required to be added to DCUSA.

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

If the MPAS obligations were to shift to the BSC, we have a number of material concerns as this would be a major change for that code. We believe that the implementation costs are likely to be high for a number of reasons including the need to change the BSC to include voting and to create a funding arrangement to accommodate the new network operator role within the code. Furthermore, there is a difference in terminology in the BSC when compared to the MRA creating the potential for additional complexity and costs. As such, at this point in time, we have fundamental reservations about MPAS obligations being moved to the BSC.