

Modification proposal:	<b>Master Registration Agreement (MRA) Change Proposal (CP): 0257 – Suspension of Supplier Registrations as a result of orders or directions imposed by the Authority</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:	15 July 2020	Implementation date:	22 July 2020

## Background

The MRA currently has no facility to suspend Supplier registrations where the Authority has issued a Statutory Notice on that Supplier preventing the gaining/registering of new customers. Specifically, Distribution Businesses are unable to suspend registrations if their latest Use of System invoices have been settled. In such instances a Supplier may still be able to register new MPANs<sup>4</sup>/customers following the issue of a Statutory Notice by the Authority prohibiting the gaining/registering of new customers. This is because currently suspension can only be applied in the event of payment default.

## The modification proposal

ESP Electricity Limited (the Proposer) raised MRACP0257. The modification proposal aims to expand current MRA operational provisions for suspending registrations. This is intended to ensure Distribution Businesses do not register new customers to a Supplier where a Statutory Notice issued by the Authority prohibits this.

At the December 2018 MRA Development Board (MDB) meeting the recommendation was to accept both the solution and implementation date for MRACP0257. The modification was then sent to us for decision. We were unable to properly form an opinion on the modification as submitted to us and we sent it back for further work.<sup>5</sup> Following this, the legal text for MRACP0257 was amended and it was issued to MRA parties for further consultation.

The Proposer considers that this modification will better facilitate relevant objective (a)<sup>6</sup> of the MRA as it would support a direction / notice issued by Ofgem.

## Impact assessment

Following initial consideration by the MDB on 27 February 2020, the Change Proposal was circulated to industry for a 10-working day Impact Assessment period. Responses were received from 12 parties, including seven Distribution Businesses and five Suppliers. All

<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> An MPAN is a Meter Point Administration Number - a 21-digit reference used in Great Britain that uniquely identifies electricity supply points such as individual domestic residences.

<sup>5</sup> Ofgem (2019) [Authority decision to direct that MRA CP 0257 \(Suspension of Suppliers Registration as a result of orders or directions imposed by the Authority\) be revised and resubmitted.](#)

<sup>6</sup> Objective (a) to develop, maintain and operate efficient, coordinated and economical procedures and practices to be followed in relation to changes of Electricity Supplier.

respondents indicated that they accepted the proposed solution and the proposed implementation date.

### **MRA Development Board (MDB)<sup>7</sup> and MRA Forum**

MRACP0257 was considered at the MDB on 26 March 2020. At this meeting the recommendation was to accept both the solution and implementation date. There were no appeals to the MRA Forum.

### **Our decision**

We have considered the issues raised by the modification proposal and the Change Report dated 2 April 2020.<sup>8</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 achievement of the relevant objectives of the MRA<sup>9</sup> and
- consenting to the modification is consistent with our principal objective and statutory duties.<sup>10</sup>

### **Reasons for our decision**

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

### **Objective (a) to develop, maintain and operate efficient, coordinated and economical procedures and practices to be followed in relation to changes of Electricity Supplier**

We agree with the recommendation of the MDB that this modification should be implemented and the view of the Proposer that it will better facilitate this objective. Preventing customers from being registered with a Supplier, who is prohibited from taking on new customers by an Authority Statutory Notice, should result in a more efficient and coordinated procedure for changes to electricity Supplier, and avoid customers being transferred when they should not be.

Also, the modification proposal is designed to prevent a Supplier gaining new customers through being able to register new MPANs where the Authority has prohibited a Supplier from taking on new customers by Statutory Notice. It is likely that the prohibition on gaining new customers will have been put in place by the Authority in order to protect consumers. Where a Supplier is contravening, or is likely to contravene, a relevant condition or requirement the Authority may, for example, consider that a Supplier should not take on new customers until it has improved the service offered to its current

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<sup>7</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.

<sup>8</sup> MRA modification proposals and change reports can be viewed at [www.mrasco.com](http://www.mrasco.com)

<sup>9</sup> 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>

<sup>10</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.

customers. Therefore, this modification proposal also ensures that the MRA prevents this happening in a consistent and coordinated manner and therefore in line with objective (a).

**Decision notice**

In accordance with SLC 23 of the Electricity Distribution Licence, the Authority hereby approves modification MRA CP 0257 'Suspension of Supplier Registrations as a result of orders or directions imposed by the Authority'.

A handwritten signature in black ink that reads "C. Hargreaves". The signature is written in a cursive, slightly slanted style.

**Charles Hargreaves**

**Deputy Director, Enforcement**

Signed on behalf of the Authority and authorised for that purpose