

Change Proposal:	Master Registration Agreement (MRA): Amendments to Schedule 5 of the MRA – Supply Number Format (MRA CP 0193)		
Decision:	The Authority ¹ provides its consent that this Change Proposal be made ²		
Target audience:	MRASCo, Parties to the MRA and other interested parties		
Date of publication:	22 September 2010	Implementation Date:	Date of Authority consent

Background to the Change Proposal

Schedule 5 of the MRA details how and where the Supply Number should appear on a customer's bill. It specifies that the Supply Number shall be "printed in an appropriate size and colour at the foot or in the top right corner of the face of the bill or statement to ensure easy recognition by the customer".

Schedule 5 aims to ensure that the Supply Number on a bill is easily identifiable by the customer. It prevents suppliers from making any changes to the layout of the bill that will place the Supply Number in a location other than those stated above.

The Change Proposal

The Change Proposal seeks to give suppliers the ability to place the Supply Number in "a prominent position" on the bill or statement, thus removing the requirement for the Supply Number to be in an exact position on the bill or statement. The Supply Number will need to be on a part of the bill or statement to be retained by the customer.

The proposer considers that the current wording of Schedule 5 deprives suppliers of the opportunity to improve the layout and content of customer's bills and statements and that making this change will allow suppliers to design their bills and statements to meet their customers' requirements.

The Change Proposal also includes some minor changes to the wording of Schedule 5 that add clarity and reduce ambiguity.

MRA Executive Committee (MEC)³ and MRA Forum recommendation

The MEC, through its sub-committee the MRA Development Board (MDB⁴) considered the Change Proposal at its meeting on 29 May 2008. At MDB, suppliers were unanimously in favour of the change but distributors didn't form a majority, either for or against the change. As a result the proposal was rejected.

One party raised objection as they considered that re-locating the Supply number on a bill may prevent their help desk staff from helping customers find their supply number.

The proposer appealed this decision and the change was taken to the MRA Forum. At the MRA Forum⁵, suppliers voted unanimously in favour of the change and all distributors

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

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

³ The MEC is established and constituted from time to time pursuant to and in accordance with the MRA.

⁴ MDB is a sub-committee of MEC and is constituted of supplier, distributor and settlements representatives.

⁵ The MRA Forum represents all signatories to the MRA. Amongst its responsibilities is to hear appeals of MEC decisions.

present declared no interest in the change. The objection raised at MDB was not raised at the MRA Forum, as it was no longer considered an issue.

The MRA Forum recommended implementation of the proposal. A request for Authority consent pursuant to MRA Clause 9.5 was sent to the Authority on 27 July 2010.

The Authority's decision

The Authority has considered the issues raised by the MRA Change Proposal (MCP) 0193. The Authority has considered and taken into account the responses to the MEC consultation on the Change Proposal which were submitted to the MDB⁶. The Authority has concluded that:

1. implementation of the Change Proposal will better facilitate the objectives of the MRA⁷; and
2. consenting that the change be made is consistent with the Authority's principal objective and statutory duties⁸.

Reasons for the Authority's decision

The Authority considers that this change better facilitates Standard Condition 23.3(f) of the Electricity Distribution licence:

Standard Condition 23.2(f): Development, maintenance, and operation of an efficient, co-ordinated, and economical system for the supply of electricity and for the purpose of facilitation competition in electricity supply

We consider that this change will help suppliers to improve the layouts of their bills and/or statements. This will allow them to differentiate themselves from their competitors, which may facilitate competition between suppliers. The Supply Number is an important piece of information that customers can provide to their new supplier to aid the switching process. We note that the requirements for the distinctive presentation of the format of the Supply Number on customers' bills and statements will be maintained and we expect suppliers to ensure that they comply with the requirement of the MRA to print the supply number in a prominent position and in an appropriate and reasonable size and colour as specified in the MRA.

The ability to re-position the Supply Number will help supply companies to tailor their bills or statements to their customers' requirements. We consider that this will facilitate competition as customers should react positively to bills that are easier to read and understand.

By making changes to Schedule 5 to remove ambiguity around the interpretation of "on the face of the bill or statement" and in the presentation of the supply number, we consider that this change will increase efficiency in electricity supply as suppliers will have greater clarity on what needs to be included on customers' bills.

⁶ MRA change proposals, modification reports and representations can be viewed on the MRASCo website at www.MRASCO.com.

⁷ As set out in Standard Condition 23 of the Electricity Distribution Licence, see: <http://epr.ofgem.gov.uk/index.php?pk=doc602057>

⁸The Authority's statutory duties are wider than matters which the MEC must take into consideration and are detailed mainly in the Electricity Act 1989.

Decision notice

Pursuant to Clause 9.5 of the MRA, the Authority hereby consents to the implementation of MRA Change Proposal MCP 0193: *"Amendments to Schedule 5 of the MRA – Supply Number Format"*.

Emma Kelso**Associate Partner, Retail and Market Processes**

Signed on behalf of the Authority and authorised for that purpose.