

Catherine Monaghan  
Ofgem  
9 Millbank  
London  
SW1P 3GE

14th May 2003

Dear Catherine,

### **Distributor Provision of MPAS Services**

British Gas welcomes the opportunity to respond to Ofgem's recent consultation document on Distributor Provision of MPAS Services.

We are broadly supportive of the recommendation that Ofgem have proposed (i.e. Option 3). However, in conjunction with these proposals we believe that both the industry and consumers would benefit from other key aspects also being addressed. These relate mainly to the general services offered by MPAS's and cover placing an obligation upon them to standardise their approach for Suppliers to improve the overall customer experience when processing requests by the industry. These services include:

- MPAS validation rules
- Procedures and costs associated with retrospective amendments
- Provision of access for Suppliers to all MPAN data (MPAS on-Line)
- Facilitation of Bulk Change of Agent requests.

We firmly believe these requirements should be obligated, a single standard procedure adopted that is made available by all MPAS's and the proposed Licence wording amended accordingly. This would then lead to a service which regardless of where a customer is geographically located will produce a process with a single common approach, as though there was only one 'national' MPAS service provider.

#### Option 1

We agree that not placing a requirement upon new distributors or distributors working outside of their area to establish an MPAS nor maintain an enquiry service is an untenable position. This would quickly lead to lack of competition in the supply of customers on these networks.

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The potential for new distributors entering into the market and not becoming signatories to the MRA would also create significant issues in maintaining the industry baseline and resolving potential queries / disputes would lack any meaningful governance arrangements.

### Option 2

Whilst achieving the minimum requirement obligating new distributors or distributors working outside of their area to establish an MPAS and maintain an enquiry service, this option does not facilitate the development of a competitive market. For a new distributor entering the electricity market the provision of an MPAS and enquiry service is likely to require a significant amount of capital expenditure. Such a cost would then be charged back via the network connections and associated energy costs which would subsequently be passed onto customers.

### Option 3

We concur that extending the regulation to all licensed distributors to provide an MPAS and enquiry service is the most suitable option as it allows the further facilitation of competition in supply and ensures the industry baseline requirements are maintained whilst also delivering adequate governance to support these services.

However, as mentioned above we believe that added obligations should be placed upon distributors to offer and provide a standard method of working that will further assist the development of competition in supply and lead to a better all round service being delivered to customers.

Whilst the industry continues to provide services via a number of monopoly service providers the ultimate aim should be to align these services where possible. This would help to create an industry and customer experience as if there was only one single MPAS enquiry service.

- In conclusion British Gas is broadly supportive of Ofgem's recommendation to introduce Option 3 in relation to distributor provision of MPAS services. However, we do believe that further benefits could be brought in which would improve and lead to a more competitive electricity supply market.

If you require clarification on any aspect of our response please do not hesitate to contact me directly on 020 8734 9257.

Yours sincerely,

**Jon Russell**  
**Senior Account Manager**

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