

Our ref :
Your ref : 22/03

Catherine Monaghan
Ofgem
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15 May 2003

Response to Distributor provision of MPAS Services Consultation Document

Dear Cath,

Thank you for the opportunity to respond to the above Consultation Document which may lead to a Section 11A Electricity Act 1999 notice proposing a modification to the electricity distribution licence held by East Midlands Electricity Distribution plc and all other licensed distributors.

We believe that in order to facilitate competition, all licensed distributors, whether Section C holders or not, should have equivalent obligations regarding the provision of a Metering Point Administration Service (MPAS) and of being a party to the Master Registration Agreement (MRA). In this respect we support the transfer of the obligations outlined in the consultation document from Section C of the licence to Section B of the licence. By placing these obligations against all Licensed Distributors it ensures that all Licensed Suppliers communicate with and transact with all Licensed Distributors in a standard format. Our understanding is that this is not the case in the gas market and that competition issues arise due to the misalignment between independent gas transporters and the primary gas transporter.

However, we believe that the Authority should also consider:

1. Transferring Condition 37.4 in its entirety to Section B. This obligation currently requires Section C licensees "...to prepare and maintain a form of agreement..." This is referring to the MRA and we believe that all licensed distributors should also have this obligation, particularly as the condition contains the obligation to maintain the agreement which we believe should be the responsibility of all parties to the MRA.
2. In consideration of the work undertaken by the New Distribution Business Focus Group (NDBFG) and the Elexon Modification P62 we believe that Condition 36B.1. (c) should be removed. This condition was introduced prior to the Industry determining the processes

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and procedures required to accommodate new distribution licensees. As these have now been agreed by the Industry and the Authority, the requirement for a Section C licence holder to offer terms for the provision of MPAS should be superseded by the obligations now contained in Condition 14. In particular the proposed new Condition 14.2 provides this obligation and the availability of determination by the Authority would still exist.

If you require any further information, please do not hesitate to contact Geoff Huckerby on 01332 393820.

Yours sincerely

Lesley Queripel
Regulatory Strategy Manager