

**Statement by the Authority under section 5A(3)(b) of the Utilities Act 2000 – BGT and npower Appeals against MRA Forum decision regarding the Supplier to Supplier (S2S) and PPMIP to PPMIP (P2P) proposals**

Section 5A(3)(a) of the Utilities Act 2000 requires the Authority to carry out and publish an assessment of the likely impact of implementing a proposal to which the section applies. Alternatively, where the section applies, under section 5A(3)(b) the Authority must publish a statement setting out its reasons for thinking that it is unnecessary for it to carry out an assessment. This publication constitutes such a statement.

An industry group was charged with examining long-term solutions for resolving misdirected PPM payments. The group were unable to reach a consensus for a single solution. As such, two set of proposals (the S2S and P2P proposals) were submitted to the MRA Development Board (MDB) for decision.

On 14<sup>th</sup> August 2003 the Authority received two appeals from BGT and an appeal from npower to the Master Registration Agreement (MRA) Forum decisions regarding the S2S and P2P proposals in accordance with MRA Clause 7.26. Ofgem circulated a separate notice seeking responses for each of these appeals to all MRA parties and MRASCo (c/o Gemserv) on 11<sup>th</sup> September 2003 and further comments were received on the responses submitted. As allowed for under the Ofgem procedure for determining appeals, two parties (BGT and SSE) requested an oral hearing. On the 24<sup>th</sup> October 2003 the relevant parties presented their case in person to Ofgem.

Ofgem does not consider it necessary to carry out a Regulatory Impact Assessment (RIA) in this case on the grounds of the extensive industry debate and that these appeals have already been through:

- an MRA appeals process whereby the relevant MRA parties appealed the MDB decisions and MRA Forum decisions to the MRA Forum and the Authority respectively; and
- an Ofgem consultation procedure based on 'Ofgem's Procedures for Determining Disputes Affecting Customers' whereby the relevant MRA Parties submitted written representations and presented their cases in person to the case officer and decision maker respectively in relation to the appeals.