

## **Response from Scottish Power Distribution & Transmission**

Dear Sarah/Jill,

Please find attached SP Transmission & Distribution's response to your consultation. I have submitted our response in this format for several reasons in particular a) I was unsure as to why Elexon/MRASCO have facilitated such a consultation rather than Ofgem? The outcome of a consultation such as this will undoubtedly have an impact on new entrants, existing distributors, suppliers and so forth in terms of promoting competition, system changes, commercial aspects and on price reviews; and b) will this consultation have had a wide enough visibility to ensure all present and future players have a say in how the market should develop i.e. again I would have thought it should have been an Ofgem public consultation?

I would be grateful if you could clarify the situation by answering these questions for me.

regards  
Walter Watson

## Response from NGC



Operations and Trading

The National Grid  
Company plc

Date: 21 January 2002

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Copy to: Jill Ashby (MRASCo)

Dear Sarah,

### **Response to Consultation on Settlement and Registration Issues Associated with New Distribution Licensees**

We welcome the opportunity to respond to the above consultation issued by the joint MRASCo, ELEXON, SESL, Distributors and Suppliers Focus Group.

Our concerns do not align with the structure of the reply form and hence we have responded to the consultation in the form of a letter.

There is an implicit assumption in the BSC, Grid Code and Charging Methodology that metered demand is correctly assigned to Supplier BM Units associated with GSP Groups, such that a direct relationship is maintained between the physical location of the demand and the geographic coverage of the GSP Group. A change to this approach could have a significant impact on all these documents. In addition, for any future developments concerning locational losses or Transmission Access would require GSP Groups to represent single defined geographic areas. It unclear from the current consultation whether these relationships will be maintained, so we would ask that any further documents relating to this subject clarify that this is the case.

#### **Use of System Charging Methodology**

National Grid's Use of System charges are based on the metered volumes of BM Units. The Transmission Network Use of System (TNUoS) charge is locational – in cases of demand charges the tariffs are defined for each GSP Group. We therefore require the metered volumes for Suppliers to be specific to each GSP Group.

Option 1 or 1a in the Consultation requires separation of the demand(s) for the new Distribution Systems from the demand data of a Host PES

Distributor's MPAS. In order for National Grid to levy correctly the locational TNUoS charges, we need to ascertain that after the separation of the demand data, they would not be redirected to a different GSP Group from the one the Host PES Distributor is associated with.

On Option 7, we are concerned that an "out-of-area" MPAS would obscure the physical location of demand. For example, if a Host PES Distributor "A" situated in GSP Group "A" extends its MPAS to GSP Group "B", then those demands in GSP Group "B" included in "A"'s MPAS would be allocated wrongly to Supplier BM Units associated with GSP Group "A". If such mixing of demands from different GSP Groups occurred, it would have implications for National Grid's locational TNUoS charging.

### **Balancing and Settlement Code**

The issues raised above in relation to Option 1, 1a and 7 could also have implications for the provision of data for Balancing Mechanism Reporting Service (BMRS) as the Balancing and Settlement Code requires the publication of FPN demand data on the BMRS in Geographic Zones.

### **Grid Code**

The Grid Code requires submission of Supplier BM Unit data for planning the operation of the Transmission System. BM Unit data that may contain demand from different Host PES areas is of little value in relation to the transmission system.

If you have any queries or would like to discuss any of the issues raised in our response please do not hesitate to contact me.

Yours sincerely

Phil Lawton  
Market Issues Manager

## **Response from TXU Distribution**

### QUESTION A

Do you support the Focus Group recommendation that the industry model should incorporate new Distribution Licensee's networks within the relevant GSP Group?

We do not disagree with the recommendation. To formulate a new series of GSPs to identify the new Distribution Business will require system changes throughout all related systems (Supplier, Registration, Billing and Metering).

### QUESTION B

Do you support the Focus Group recommendation that the only feasible solution for the short term is option 1a?

We believe that the same solution has to be used for both short term and enduring solutions. To make system and process changes twice would prove to be too problematic and costly.

The long term solution we favour, as stated in other questions within this response, is option 7. We can, however, only accept a modified option 1a which covers both short term and enduring solutions

MPANs for Metering Systems within the new network should hold the MPAS ID within the first 2 digits of the Core, the following 3 digits should identify the Distributor and the LLFC will also be unique to that Distributor.

For the Distributor to be identified by the LLFC alone, as suggested, provides its drawbacks. The field is limited with the number of combinations available and its visibility is also limited in that only the Core MPAN is displayed on the majority of Supplier and Distribution flows. Identifying the Distribution Business via MPAN Core and the LLF also provides the ability to validate combinations, thus delivering data quality for market participants.

Additionally, in order for Distribution flows to be routed correctly, we must be able to identify the Distribution network by the Core MPAN.

We also require at least 6 months lead time for system modifications before implementation of the solution.

### QUESTION C

Do you think that option 1a should also be considered as an enduring solution?

We prefer that the short term solution also becomes the enduring solution.

However, our strong preference is for option 7, which, therefore, needs to be considered as a short term solution.

### QUESTION D

Please note any issues with option 1a that have not been documented in the paper

All our issues have been highlighted elsewhere within this response.

### QUESTION E

Do you agree with the Focus Group recommendation that the detailed impact assessment should focus on options 1, 1a and 7.

We believe that the detailed impact assessment should focus on options 1a, as modified and 7 only.

#### QUESTION F

Is your preferred solution based on option 1, 1a or 7? Alternatively, do you prefer a combination of each of these options?

Our preferred solution is option 7.

#### QUESTION G

The Focus Group has noted an issue with identifying the relevant Distribution Business and MPAS. Do you believe that the first two digits of the Core MPAN should primarily be a Distributor ID or MPAS ID? Please provide your views, referring to options 1, 1a and 7 if necessary.

With our preferred solution of option 7, the Distributor and MPAS ID are one and the same. So the first two digits of the Supply Number would reflect the Distribution Business ID within the chosen MPAS system.

With option 1a, as modified, we believe that the first two digits of the Core MPAN should be an MPAS ID (See Question B response). As there are only 99 available, we feel that there is a risk that there will not be enough to cover all potential distribution networks. The Distributor will be identified through the next three digits.

#### QUESTION H

If you believe the first two digits of the Core MPAN should represent an MPAS ID, do you agree that the LLFC should be used to identify the relevant Distributor?

This is not an issue with option 7 as the first two digits represent the Distributor ID within the MPAS system.

With option 1a, as modified, we believe that the LLFC and the third to fifth digits of the Core MPAN should be used to identify the relevant Distributor.

This would ensure that validation controls are in place for data and the settlements process. If the LLFC is used alone, there is a risk that the Distributor ID is not easily identified due to the fact that the LLFC is not visible on all Supplier and Distributor flows.

#### QUESTION J

An agreed solution for DUoS billing is required for all registration options.

Although the commercial sub group will investigate this in detail, your initial views would be welcomed.

The solutions should be left for investigation and decision by the commercial sub group. However, discussions on registration and settlement issues and choice of options must not proceed until the commercial sub group proposals have been put forward.

#### QUESTION K

Please note any other relevant settlement or registration related issues that you believe have not yet been addresses.

Other relevant questions and issues include:

Does the LLFC include losses on the new network or on our network?

How do we manage MPAS of last resort?

How do we manage a Distributor of last resort situation?

- do we "unpick" Core MPANs or issue new ones?
- we run the risk of inheriting a bad network?

Who provides the Metering Services for the new Distribution Business?

Unmetered Supplies issues.

A review of the DTC and DB Flows is required as there are currently no flows from Distribution to MPAS and a potential requirement for additional Distribution Flows.

Treatment of boundary metering in settlements.

## Response from SSE

### Focus Group Approach

	Question	Yes/ No	Rationale
<b>A</b>	Do you support the Focus Group recommendation that the industry model should incorporate new Distribution Licensee's networks within the relevant GSP Group?	Yes	To facilitate competition
<b>B</b>	Do you support the Focus Group recommendation that the only feasible solution for the short term is option 1a?	Yes	The other options would be too complex and costly to implement quickly.
<b>C</b>	Do you think that option 1a should also be considered as an enduring solution?	Yes	There may be insufficient private distribution networks to justify a more complex and costly solution, but does not rule out the other options.
<b>D</b>	Please note any issues with option 1a that have not been documented in the paper.	N/A	The interfaces to DC, MOP, DA don't appear to have been addressed. If LLFC's are used to identify a PDN how will the MOP know?
<b>E</b>	Do you agree with the Focus Group recommendation that the detailed impact assessment should focus on options 1, 1a and 7?	Yes	
<b>F</b>	Is your preferred solution based on option 1, 1a or 7? Alternatively, do you prefer a combination of each of these options?	N/A	We need more detail before we can determine which option we prefer

### Industry Impact Assessment

	Question	Rationale
<b>F</b>	The Focus Group has noted an issue with identifying the relevant Distribution Business and MPAS. Do you believe that the first two digits of the core MPAN should primarily be a Distributor Id or MPAS Id? Please provide your views, referring to options 1, 1a and 7 if necessary.	Unable to comment – see F above
<b>G</b>	If you believe the first two digits of the core MPAN should represent an MPAS Id, do you agree that the LLFC should be used to identify the relevant Distributor?	Unable to comment – see F above
<b>H</b>	If you believe the first two digits of the core MPAN should represent a Distributor Id, how do you propose the relevant MPAS provider is identified?	N/A – see above

	<b>Question</b>	<b>Rationale</b>
<b>I</b>	An agreed solution for DUoS billing is required for all registration options. Although the commercial sub group will investigate this in detail, your initial views would be welcomed.	
<b>J</b>	Please note any other relevant settlement or registration related issues that you believe have not yet been addressed.	The interfaces to DC, MOP, DA don't appear to have been addressed. For example, if LLFC's are used to identify a PDN how will the MOP know?

## **Response from GPU Power Network**

### **Focus Group Approach**

	<b>Question</b>	<b>Yes/No</b>	<b>Rationale</b>
<b>A</b>	Do you support the Focus Group recommendation that the industry model should incorporate new Distribution Licensee's networks within the relevant GSP Group?	No	<p>We do not support the recommendation that the <b>only</b> option is to incorporate new Distribution Networks within the relevant GSP. Our preferred option is for new GSP groups to be created. We feel that the Focus Group has made an invalid assumption in terms of the limitation of the number of possible GSP Groups. GSP Groups are described as 'Two CHAR'. This need not necessitate the use of a leading '_' as one of those characters. Therefore, instead of utilising only '_A' to '_Z', many other combinations could be used (e.g. AA, AB, AC etc. BA, BB, BC etc. 1A, 1B, 1C etc.).</p> <p>We also fail to see why the creation of new GSP Groups would introduce inaccuracies into the settlement process.</p> <p>We feel that options centered on the creation of new GSP Groups have not been given proper consideration and should be revisited.</p>
<b>B</b>	Do you support the Focus Group recommendation that the only feasible solution for the short term is option 1a?	No	<p>We do not believe that any short term 'fudge' should be implemented. The only solution that should be considered is the enduring one. Any solution requires careful consideration and it's planning and implementation needs to be managed in a structured way. The industry should not rush into any decision that might introduce risk to Suppliers, Distributors, customers or settlements. Again, we believe that new GSP groups should be created and that this option has not been fully analysed before being discarded.</p> <p>Option 1a has presumably been selected since it does not involve change to settlement systems. However, it does involve change to other parties' systems, which could not be delivered immediately. This fact renders it unfeasible as a 'short term' solution.</p>

<b>C</b>	Do you think that option 1a should also be considered as an enduring solution?	No	Our preferred option is for new GSP groups to be created and metered at the boundary and for any new Distributor to provide their own MPAS service. However we would not preclude the option to procure the services of an existing MPAS(s) if commercial terms were appropriate. We feel this is the cleanest and most reliable option for the long term stability of the industry.
<b>D</b>	Please note any issues with option 1a that have not been documented in the paper.		Option 1a is being considered, presumably because each of the other registration options will involve changes to Central Systems that cannot be implemented within 6 months.  However, Option 1a is no different to Option 1 from an MPAS system perspective. Both of these options would entail changes to registration software, which also COULD NOT be delivered within six months.
<b>E</b>	Do you agree with the Focus Group recommendation that the detailed impact assessment should focus on options 1, 1a and 7?	No	See reply to question 'A'
<b>F</b>	Is your preferred solution based on option 1, 1a or 7? Alternatively, do you prefer a combination of each of these options?	Neither	See reply to question 'A'.  The consultation document states:  <i>"There are volumetric and technical constraints, which limit the number of possible GSP Groups. For instance the size of many of the Supplier reports produced by the SVAA system is directly related to the number of GSP Groups, and any increase in the number of GSP Groups will significantly increase the volume of data sent across the Data Transfer Network (DTN)."</i>  Has any meaningful analysis been carried out here? How great is the likely increase in volume? Have we discounted the fact that the DTN may well be able to cope with such an increase?  The document further states:  "Also, the two-character GSP Group Identifiers currently used within settlements consist of an underscore character followed by a letter. If more than 26 GSP Groups were required, this convention could no longer be followed. This would require changes to any BSC Party or Party Agent systems which have the current naming convention "hard coded" into them, and could therefore have cost and timescale implications."  Why not just substitute the underscore with a character to create additional GSP Groups?  The following reason for not creating new GSP Groups is also included:

		<p><i>“Each Supplier is obliged to have a Base BM Unit registered in each GSP Group regardless of whether they want to act within that GSP Group. Therefore the number of BM Units would increase by approximately 50, every time a new GSP Group is created which, in turn, would have cost implications.”</i></p> <p>Can't Elexon look at changing it's own obligations here? There are cost implications for all parties whichever route is taken.</p> <p>Finally, also under 'creation of new GSP Groups' the following statement is made:</p> <p><i>If new GSP Groups are created, there may need to be a facility to move individual Metering Systems to a new GSP Group. This needs to be done in the MPAS, Data Collector, and probably Meter Operator and Supplier systems. Whilst this functionality was included in the original framework, it was deliberately excluded from industry trials on the basis of not being required in the short term. There is no guarantee that parties have implemented this functionality as it is not included in Entry Processes.</i></p> <p>Why would we need to move existing MPANs into new GSP Groups?</p>
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### Industry Impact Assessment

<b>G</b>	<p>The Focus Group has noted an issue with identifying the relevant Distribution Business and MPAS. Do you believe that the first two digits of the core MPAN should primarily be a Distributor Id or MPAS Id? Please provide your views, referring to options 1, 1a and 7 if necessary.</p>	<p>There are currently 14 Distributor Ids (10-23 incl.) Any new Distributor could be allocated an Id by incrementing this set - e.g. using the Id 24. The new Distributor will need to identify which MPAS they are using. This could be done by utilising the existing Distributor/MPAS Id as the 3<sup>rd</sup> &amp; 4<sup>th</sup> digits of the MPAN.</p> <p>e.g. - <b>24 14</b> 123456789</p> <p><b>24</b> = new distributor id (e.g. 24=ABB)  <b>14</b> = MPAS service used, (GPU in this example).</p> <p>Using this solution, both Distributor and MPAS identities are visible.</p> <p>Another benefit is that existing MPANs would remain unaffected - e.g. If an MPAN were to be preceded by '14' a Supplier would know that both the relevant Distributor and MPAS Provider were GPU Power.</p>
<b>G</b>	<p>If you believe the first two digits of the core MPAN should represent an MPAS Id, do you agree that the LLFC should be used to identify the relevant Distributor?</p>	<p>See answer to 'F'. The LLF should not be used to identify the Distributor, since to do so would require re-educating the entire industry. It's a well established concept that the leading two digits of an MPAN can be used to identify a customer's geographical area/Distributor/MPAS.</p>
<b>H</b>	<p>If you believe the first two digits of the core MPAN</p>	<p>See reply to 'F'.</p>

	should represent a Distributor Id, how do you propose the relevant MPAS provider is identified?	
I	An agreed solution for DUoS billing is required for all registration options. Although the commercial sub group will investigate this in detail, your initial views would be welcomed.	DUoS billing should be based on boundary metering, with both the existing Distributor and new Distributor receiving data from a HH meter and the existing Distributor billing the new Distributor accordingly. A commercial arrangement would be implemented between the two parties to facilitate this arrangement. The new distributor would have responsibility for DUoS charging to and collection from the relevant Suppliers operating within their network.
J	Please note any other relevant settlement or registration related issues that you believe have not yet been addressed.	<p>The document states that:</p> <p><i>“Initial analysis has recognised two main areas of concern. The first relates to the effect on the settlement process under the Balancing and Settlement Code (Code)/Settlement Agreement for Scotland (SAS), and the second relates to the registration of Metering Systems.”</i></p> <p>However, an equally main if not more pressing area of concern for our business is the cost to us of facilitating competition in this area.</p> <p>The New Distribution Focus Group determined that it is down to the industry to drive these issues forward. Why is this? The Distribution Commercial Group recommended, quite rightly, that there is a need for clear programme management from Ofgem to facilitate the development of industry solutions. We feel that Ofgem’s support in this area should be more forthcoming.</p>

## Response from TXU Supply

### Focus Group Approach

	Question	Yes/No	Rationale
<b>A</b>	Do you support the Focus Group recommendation that the industry model should incorporate new Distribution Licensee's networks within the relevant GSP Group?	Yes  [provisionally]	As per Consultation Document (CD)  In particular, need to avoid GSPGCF / profiling problems of small GSPGs. Also, these are not Grid Supply Points.  BUT if significant problems are encountered with other solutions, this option should not be discarded out of hand.
<b>B</b>	Do you support the Focus Group recommendation that the only feasible solution for the short term is option 1a?	Not necessarily	It is not necessarily any more feasible than Option 7. From a Supplier point of view (and, we understand, a Dist. Bus. point of view; and, we suspect, an Agent point of view) Option 7 is the only possible No Change option, and therefore more likely to be feasible (from a market participant point of view) than 1a. (We will be interested to know how Host Dist. Buses are going to operate Option 1a.)
<b>C</b>	Do you think that option 1a should also be considered as an enduring solution?	Possibly	Depends on what comes out of Commercial Arrangements Sub-Group.  As a technical solution, if Distribution Businesses [existing Hosts and prospective embedded DBs, e.g. ABB] are happy with it – yes. This seems unlikely!  See Additional Comments below.
<b>D</b>	Please note any issues with option 1a that have not been documented in the paper.	N/A	How is the Host Distribution Business going to identify those flows it receives that are actually meant for the Embedded Distributor?  Note that the NHH DUoS Report D0030 would only be sent to the Host Distributor in Option 1a.  See Additional Comments below.
<b>E</b>	Do you agree with the Focus Group recommendation that the detailed impact assessment should focus on options 1, 1a and 7?	Yes	As per CD
<b>F</b>	Is your preferred solution based on option 1, 1a or 7? Alternatively, do you prefer a combination of each of these options?	Yes.  No.	TXU Energy supports Option 7 – as the only solution that could possibly be implemented by Suppliers, Distribution Businesses and Agents without substantial system / process changes. Market participants are NOT constrained by the Distribution Business / GSP Group equivalence in the same way as central systems and the settlement process.

## Industry Impact Assessment

	Question	Rationale
<b>F</b>	The Focus Group has noted an issue with identifying the relevant Distribution Business and MPAS. Do you believe that the first two digits of the core MPAN should primarily be a Distributor Id or MPAS Id? Please provide your views, referring to options 1, 1a and 7 if necessary.	<p>MPAS Id – Options 1 or 1a. (This is from the point of view of a Supplier in the retail market, where the most important thing you have to do with an MPAN is get it Registered – and making Registration as straightforward as possible must be the paramount driver. The original definition was “Distributor Id”, but the primary usage has de facto become MPAS Provider.)</p> <p>Option 7 solves the conundrum – it is still both.</p> <p>Options 1 and 1a break the equivalence between Distributor Id and MPAS, which we consider to be a more ingrained assumption (in market participant systems, at least) than the equivalence between Distributor Id and GSP Group (in central systems and NHHDA).</p>
<b>G</b>	If you believe the first two digits of the core MPAN should represent an MPAS Id, do you agree that the LLFC should be used to identify the relevant Distributor?	<p>Full impact assessment required on TWO sub-options. (i) LLFC identifies the “owning” Distributor (and the basis of DUoS charging). (ii) Digits 3 to 6 of the MPAN Core [which should eventually be redefined as “Network Id” within the DTC. Would require an MDD-type table indicating the owning Distributor for each Network Id, keyed on digits 1-2 and 3-6]. Both could be described as bodes, adding meaning where there has hitherto been none.</p>
<b>H</b>	If you believe the first two digits of the core MPAN should represent a Distributor Id, how do you propose the relevant MPAS provider is identified?	<p>Most MPASs cannot currently handle more than one Distributor Id.</p>
<b>I</b>	An agreed solution for DUoS billing is required for all registration options. Although the commercial sub group will investigate this in detail, your initial views would be welcomed.	<p>A mechanism will have to be found for the Host DB to charge the Embedded DB for use of the Host network (presumably based on non-Settlement / non-MPAS metering at the DSCP).</p> <p>In Option 7 the Embedded DB will have to invoice the Supplier.</p> <p>In Option 1 it is difficult to see any solution but for the Embedded DB to raise the DUoS invoice. It cannot be assumed that the Host DB will know who the Supplier is for the EDB’s MPANs; and this is the only easy way that the Supplier can reconcile DUoS invoices. But in Option 1a, the D0030 would only be sent to the Host DB, we believe.</p> <p>See Additional Comments below</p>

	Question	Rationale
J	Please note any other relevant settlement or registration related issues that you believe have not yet been addressed.	<p>Teleswitched Metering and exempt generation in an embedded DB are 2 issues that need to be worked through. They may or may not present a problem – we have not given it any thought.</p> <p>Revenue Protection is a third issue.</p> <p>Metering installation arrangements may or may not be another.</p> <p>How would DUoS for the new DB feature on the D0030 ?</p> <p>All Supplier Hubs would probably need to be tested for all MPAS/SMRSs for Option 1. Would this be true for 1a? Would all appropriate Supplier Hubs need to be tested against the single new MPAS for Option 7?</p>

### Additional Comments

**We note that the assumption that Option 1a can be implemented “quickly” is based on the belief that a set of mutually acceptable commercial arrangements can be reached between New DBs and Ex-PES [Host] DBs.**

“Other Issues” – there is currently an implicit assumption between Distributor ID and GSP Group ID. This ceases to be true under Option 7 (which seems to be the best option for Suppliers, Distribution Businesses, Agents and MPAS)? Should we not be seriously considering removing this implicit assumption from central settlement systems, the only area of the market for which Option 7 does not seem to be a ready-made answer?

Assuming that the DSCP has an HH metering system then it may be easier to let the “host” DB install and collect from this under the terms of the DuoS Agreement and leave it outside settlement.

“DuoS Billing” – somebody must be responsible for the exit point that is the (CVA?) DSCP between the New DB and the Host DB. The DSCP should be registered in CVA by one of the DBs (to be agreed between them). Logically this should be the New DB, perhaps, but as a Supplier we can keep our noses out of this. The Host DB will invoice the New DB for DuoS between the GSP and DSCP. We note that given that the GSP Group CF will be applied to the NHH MPANs in the new DB it is inevitable that the DuoS kWh would actually be different to the SVA kWh (but hopefully by a small amount – it may be greater or lower).

In order to make this work it seems to be necessary to know the MPAS, Distributor, GSP Group and LLFC. The current Industry design assumes that the Distributor Id can be used as a proxy for MPAS Id and GSP Group Id – the introduction of any option that retains the existing GSP Group for new DBs would mean that this was no longer true. The implication of divorcing the MPAS identifier from the Distributor Id (Options 1 and 1a) is that many participants will have to change the way they identify where to send data flows. This will not be quick or easy.

**Even the “quick” fix of using LLFC may not be practical given the LLFCs already in use by the current DBs, but DBs would probably have to manage this.**

**Is there a pragmatic solution that Elexon and SESL could achieve, to allow a version of Option 7 to be introduced as an interim arrangement? Elexon managed an impressive sleight of hand with REAP, cunningly disguising Stage 1 flows as Stage 2 flows. Could they repeat the performance for a new DB? (I thought of disguising ABB flows for GSP Group \_A as EELC MPAS flows, in order to get NHHDA to enter them into settlement, but the validation of file and instruction**

**sequence numbers probably sinks that suggestion.) Or could we go with the “virtual GSP Group” for a new MPAS / Distributor Id, warts and all, on an interim basis?**

## *Response from Siemens*

Many thanks for sight of the Focus Group Paper, which we had not seen from other sources.

In the rather few hours that were available to consider the Consultation we have drawn up an initial set of comments below. A more lengthy and detailed study would best be made on the basis of a specific option.

1. **If new inset distribution licensees made different levels of overall charges for DUoS this could affect suppliers' prices (and the arrangements for setting PPM's and tariff bands) for the customers of suppliers inside "inset" areas, as compared to those in the host DB's network.**
2. **On DUoS charge assessment and billing generally, it does seem appropriate for boundary point metering to be used around the "inset" network, with the host DB billing the inset distributor for DUoS. We would note our understanding that this principle has been used in Scandinavia for dealing with network charges in "multi-layer" distribution network areas, and might usefully be investigated (e.g. Norway)? It may then also be advantageous to use the data from such boundary meters to help resolve small GSP group compensation issues.**
3. **The nominal limit of 2.5MW (of MD?) of domestic premises above which a new distribution licence must be held may be complicated to administrate in a project (new town area, large blocks of flats) that are constructed in phases over several years. For instance phase 1 may be 1MW, phase 2 again 1MW, and phase 3 another 1MW. During phase 1 it may not have been anticipated that phase 3 would go ahead, but on later completion of phase 3 the whole project would need a new distribution licence. So arrangements could also be needed to transfer meter points between distributors and their MPAS (and GSP group) arrangements?**
4. **While the more practical proposals are Options 1/1a and 7, the issue of who pays for any changes needed also needs to be resolved.**

**If the 1998 and NETA arrangements were now significantly changed, (e.g. New MPAN structures, participant types, data flows, and contents), then participants and agents could face significant costs for system redesign, implementation, testing, and training. For "1998" some costs are still being recovered as surcharges via regulatory price controls. What arrangements would now be proposed for agents (including independent agents) to recover the costs of any significant changes that might arise from allowing for these new "Inset" distribution licensees?**

## Response from Seaboard Energy Ltd

### Focus Group Approach

	Question	Yes/ No	Rationale
<b>A</b>	Do you support the Focus Group recommendation that the industry model should incorporate new Distribution Licensee's networks within the relevant GSP Group?	Yes	Complete coverage under a single model should ensure freedom of choice to customers without the need for Suppliers operating a number of different methods depending upon Distributor.
<b>B</b>	Do you support the Focus Group recommendation that the only feasible solution for the short term is option 1a?	Yes, for a central system view point	As a Supplier we would have serious issues regarding changes to our billing system for customers on these networks. We would not be able to allocate correct emergency numbers on bills in the short-term. These changes would not be possible until middle of 2002. We are also unsure how any revised DUoS type charges would need to be billed and the changes that these could require. Although this option is the only one feasible in the short term, from central services, we are not convinced it is the best long-term solution. It would be preferable to just solve this problem once, especially from our point that a short-term change would not really be practical.
<b>C</b>	Do you think that option 1a should also be considered as an enduring solution?	Yes	It should be considered but we do not see this as being the most appropriate way forward. Looking to the longer term it is possible that new networks might cross current GSP groups and any solution should be robust to such a possibility.
<b>D</b>	Please note any issues with option 1a that have not been documented in the paper.	N/A	
<b>E</b>	Do you agree with the Focus Group recommendation that the detailed impact assessment should focus on options 1, 1a and 7?	No	The possibility of new networks crossing GSP groups needs to be considered as these are not adequately covered in these options.
<b>F</b>	Is your preferred solution based on option 1, 1a or 7? Alternatively, do you prefer a combination of each of these options?	N/A	Neither, see notes above.

## Industry Impact Assessment

	Question	Rationale
<b>G</b>	The Focus Group has noted an issue with identifying the relevant Distribution Business and MPAS. Do you believe that the first two digits of the core MPAN should primarily be a Distributor Id or MPAS Id? Please provide your views, referring to options 1, 1a and 7 if necessary.	If it is restricted such that new networks maintain current GSP boundaries then it is unlikely to be an issue. In this case the new network can either use current distributor ids, and then it becomes an MPAS id, or can be given a new distributor id for any MPANs in that GSP area. Given numbers 24-99 are free we have some scope prior to changes being required. Although we are unsure how many networks might already be waiting to be brought into the competitive arena. However, if the networks span current GSP group boundaries then it could be that allocating new distribution ids is the only way forward. In this case we would want to have a 1-1 mapping so that we know a MPAN starting, say, 30 always goes to a single MPAS operator. This also would seem like a method of allowing competition in MPAS registrations to offer services to these new distributors.
<b>H</b>	If you believe the first two digits of the core MPAN should represent an MPAS Id, do you agree that the LLFC should be used to identify the relevant Distributor?	See G.
<b>I</b>	If you believe the first two digits of the core MPAN should represent a Distributor Id, how do you propose the relevant MPAS provider is identified?	See G.
<b>J</b>	An agreed solution for DUoS billing is required for all registration options. Although the commercial sub group will investigate this in detail, your initial views would be welcomed.	We have no comments on this issue.
<b>K</b>	Please note any other relevant settlement or registration related issues that you believe have not yet been addressed.	

## Response from IMSERV

### Focus Group Approach

	Question	Yes/No	Rationale
<b>A</b>	Do you support the Focus Group recommendation that the industry model should incorporate new Distribution Licensee's networks within the relevant GSP Group?	Y	Changing GSP Groups will upset the dynamics of Settlement.
<b>B</b>	Do you support the Focus Group recommendation that the only feasible solution for the short term is option 1a?	Y	Everything else has a lot of impact on all parts of the market. Option 1a keeps the problems contained to the dist bus
<b>C</b>	Do you think that option 1a should also be considered as an enduring solution?	Y	All of the presented options have drawbacks and flaws. At least 1a is simple.
<b>D</b>	Please note any issues with option 1a that have not been documented in the paper.	Y	I am concerned about MO/DB data flows which the Host PES DB would need to "pass on" to/from the new DB. As the DC and MO do not have the LLFC information, identification of the correct DB would not be possible. The Host DB would have to act for the New DB in its entirety. Communication would be difficult.
<b>E</b>	Do you agree with the Focus Group recommendation that the detailed impact assessment should focus on options 1, 1a and 7?	Y	
<b>F</b>	Is your preferred solution based on option 1, 1a or 7? Alternatively, do you prefer a combination of each of these options?	Y	

### Industry Impact Assessment

	Question	Rationale
<b>F</b>	The Focus Group has noted an issue with identifying the relevant Distribution Business and MPAS. Do you believe that the first two digits of the core MPAN should primarily be a Distributor Id or MPAS Id? Please provide your views, referring to options 1, 1a and 7 if necessary.	We generally use the first two digits of the MPAN core to identify the distribution business, rather than the MPAS. DB is more important to DC and MO than MPAS. Generally, a one-to-one relationship between MPAS and DB is assumed.

	Question	Rationale
<b>G</b>	If you believe the first two digits of the core MPAN should represent an MPAS Id, do you agree that the LLFC should be used to identify the relevant Distributor?	Using the LLFC does not work for DC and MO, who need to identify the DB, but do not have the LLFC.  Using MPAN sequences is crude. Extra coding will be required and risks of problems seem quite high. However, at least is usable to all, even if consistency might be an issue.
<b>H</b>	If you believe the first two digits of the core MPAN should represent a Distributor Id, how do you propose the relevant MPAS provider is identified?	
<b>I</b>	An agreed solution for DUoS billing is required for all registration options. Although the commercial sub group will investigate this in detail, your initial views would be welcomed.	
<b>J</b>	Please note any other relevant settlement or registration related issues that you believe have not yet been addressed.	

### Other comments

Don't agree with TXU's comment that "Option 7 is the only solution that could possibly be implemented by Suppliers, Distribution Businesses and Agents without substantial system / process changes. Market participants are NOT constrained by the Distribution Business / GSP Group equivalence in the same way as central systems and the settlement process." Our HHDC/DA system is constrained in such a way. The HHDC system uses the start digits of the MPAN to derive the GSPG and the Host DB - these are all assumed to be one-to-one relations currently. Of course, it could be modified with some systems development.

Generally, I don't think any of the proposed solutions do the job properly. The relationships between "GSPG/Dist Bus/MPAN start digits" need to have a standardised data model and the data flows between participants need to contain the relevant information to allow clear and unambiguous identification of each other.

## Response from ABB

### Focus Group Approach

	Question	Yes/ No	Rationale
<b>A</b>	Do you support the Focus Group recommendation that the industry model should incorporate new Distribution Licensee's networks within the relevant GSP Group?	Yes	We support the aim of providing arrangements which are as close as possible to the existing systems and procedures to allow new Distributors to enter the distribution market. However, the arrangements should respect commercial confidentiality and allow competition to take place in a transparent and un-fettered manner.
<b>B</b>	Do you support the Focus Group recommendation that the only feasible solution for the short term is option 1a?	No	We believe that suppliers will need the first two digits of the MPAN to identify the distributor, which suggests that 7 is the only practical solution for the short term. See later comments.
<b>C</b>	Do you think that option 1a should also be considered as an enduring solution?	No	For similar reasons to B above.
<b>D</b>	Please note any issues with option 1a that have not been documented in the paper.	N/A	–
<b>E</b>	Do you agree with the Focus Group recommendation that the detailed impact assessment should focus on options 1, 1a and 7?	No	We believe 7 should be examined in detail.
<b>F</b>	Is your preferred solution based on option 1, 1a or 7? Alternatively, do you prefer a combination of each of these options? N/A	Yes	Based on 7

### Industry Impact Assessment

	Question	Rationale
<b>F</b>	The Focus Group has noted an issue with identifying the relevant Distribution Business and MPAS. Do you believe that the first two digits of the core MPAN should primarily be a Distributor Id or MPAS Id? Please provide your views, referring to options 1, 1a and 7 if necessary.	We believe that the first two digits of the core MPAN should be a distributor ID. There are several situations where a Supplier for example will need to know the customer's Distributor from the MPAN e.g outages.

<b>G</b>	If you believe the first two digits of the core MPAN should represent an MPAS Id, do you agree that the LLFC should be used to identify the relevant Distributor?	N/A
<b>H</b>	If you believe the first two digits of the core MPAN should represent a Distributor Id, how do you propose the relevant MPAS provider is identified?	We believe option 7 is the only practical solution. If Distributors have a single MPAS then it will follow from the first two digits of the MPAN that the MPAS service provider is associated with that Distributor.
<b>I</b>	An agreed solution for DUoS billing is required for all registration options. Although the commercial sub group will investigate this in detail, your initial views would be welcomed.	Ideally, each Distributor would have its own individual DUoS flows into "Settlement". However, a workable solution (at first inspection) may be for new distributors to obtain a site-specific DUoS charge from the host Rec and then to incorporate it into their own DUoS charge to Suppliers. We would welcome further discussion on this aspect.
<b>J</b>	Please note any other relevant settlement or registration related issues that you believe have not yet been addressed.	-

## **Response from LE Group**

Direct Line: 020 7487 7242

Local Fax: 020 7725 3067

Mrs. Jill Ashby, MRA Service Company Ltd, Second floor,  
2 Seething Lane, London EC3N 4AX.

**LES/AH/NAS/LET.070**

Miss Sarah Parsons, Elexon Ltd., 3<sup>rd</sup> Floor, 1 Triton Square, London, NW1 3DX.

15<sup>th</sup> November 2001

Dear Miss Parsons and Mrs. Ashby,

### **New Distribution Licensees Consultation Response.**

As requested, I enclose your questionnaire that I have completed on behalf of the London Electricity Group.

I am concerned that there has not been fuller explanation to the non-feasibility of the option of having a new distribution network within a different GSP Group to the one it is directly electrically connected. Under the heading 'Incorporate a new network within an existing GSP Group other than the Host PES GSP Group' you state that the allocation of losses and errors would be blurred. As stated, this appears to be incorrect:

- a) If solely half hourly meters were used on the exit points of the embedded distribution business, profiling will not be used, and so sunset and temperature at different locations would be irrelevant.
- b) Losses could be allocated as they are now on the embedded distribution network, using line loss factors within the Stage 2 settlement system. Losses would also be allocated as they are on the 'host' distribution system using the Stage 1 settlement system. A current example is the western extremities of Yeovil in Somerset which are already supplied by Western Power Distribution and are within the South Western GSPG. This network takes its supply at 33,000 volts from the Southern Electric network within the Southern GSPG. Boundary metering is registered in the Stage 1 system, which takes account of losses in the Southern Electric network.
- c) Transmission access charges would need to cope with the existing scenario (in Yeovil) described above, and so must be able to cope with any new inter GSPG transfers. If this is not the case, then systems and processes would need to be changed to accommodate the current position that exists for wheeled units which are deducted off GSPG group takes, such as in Yeovil.

For these reasons, an embedded distribution network incorporated within a GSP Group other than the one to which it is electrically connected should not reduce the accuracy of the settlement process. This is provided that only Stage 2 Half Hourly SVA meters are used on the exit points of the embedded distribution network, and Stage 1 CVA meters are used on the boundary of the 'host' and embedded distribution systems. Energy leaving the 'host' GSPG being netted off that GSPG group take by the Stage 1 system.

Clearly, I was disappointed by reports that the SVG committee hosted by Elexon had rejected this option, but having now discussed this with two SVG members, I think that greater clarity would be helpful.

With regard to a pilot site that LES are considering, I had suggested that the embedded distribution network should have only half-hourly meters on its exit points. These exit points would have MPANs allocated by the London MPAS (although this is largely irrelevant since we have a choice in MPAS provider). The embedded network would form part of the London GSPG with inter GSPG metering on the boundary.

Firstly, there would be stage 1 (CVA) metering on the boundary between the 'host' distribution network and the embedded distribution network. Energy passing into the embedded distribution network from the 'host' distribution network would be netted off the 'host' distribution network GSPG

group take at Stage 1. Line losses in the 'host' distribution network would be added within the Stage 1 system.

The energy would be added to the London GSPG group take in the Stage 1 system. The embedded distribution network would be part of the London GSPG, with line losses applied in the Stage 2 system, but with only half-hourly meters on its exit points. Therefore, the London GSPG group correction factor would move closer to unity as the proportion of half-hourly meters on its exit points is increased. As at present, there would be no need to apply group correction factor to half-hourly meters

Secondly, all sites on the embedded distribution network are expected to have demand in excess of 100 kW (as defined in the Balancing and Settlements Code). Once a site has exceeded 100 kW (the average of the three highest monthly maximum demands in any one month exceeding 100 kW), reverting to a 'non 100 kW' status is not allowed in the Balancing and Settlements Code.

This would be further reinforced by a metering dispensation obligation to only install half hourly metering which would prevent any change of measurement class to non half hourly metering.

Finally, it is worth bearing in mind that as soon as I have mentioned to colleagues the concept of having an embedded network with a GSPG other than the local GSPG, I have been met with the almost rhetorical reaction 'you can't do that'. However, when I have challenged this, all concerns have been addressed and removed.

Such concerns have been around profiling (addressed by only using half-hourly Stage 2 metering), GSPG group take (addressed by having Stage 1 metering on the boundary between the 'host' and embedded networks), GSPG group correction factor (addressed by having only half hourly meters on the exit points) and line losses (addressed by accounting for these using existing mechanisms in the Stage 1 and Stage 2 systems).

In many ways, this has demonstrated to my colleagues and myself the need to think outside of the 'boxes' we have worked within for some time. Only by doing this can we all find pragmatic solutions that minimise risk, delay, expense and change.

Some new distribution networks would be expected to have entirely Half Hourly SVA meters on their exit points. This would particularly be the case with distribution to critical energy infrastructures in the commercial sector.

Therefore, rejecting the option that I have described is closing off a simple route for existing distribution businesses to operate 'out of area' using existing systems and mechanisms. I therefore feel that this is anti competitive.

I believe that it would be in the best interests of customers if as many options are kept open as possible. This would also encourage greater competition.

I therefore hope that you will give this matter further consideration before finalisation, since I am sure that neither Elexon or MRASCo would want to be seen to act in an anti-competitive manner unless the rationale for their position was adequately explained.

Whilst we have no objection to other workable solutions being introduced, we would be concerned if a workable and valid solution was rejected. If this would be especially the case if the rejection were on the grounds that only solutions that fit all market segments would be acceptable.

Yours sincerely,

**Alan Higginson**  
Divisional Manager (Commercial Buildings)

## Response from LE Group

### Focus Group Approach

	Question	Yes/ No	Rationale
<b>A</b>	Do you support the Focus Group recommendation that the industry model should incorporate new Distribution Licensee's networks within the relevant GSP Group?	No	No adequate explanation has been given as to why an embedded network cannot be incorporated to a GSPG other than the 'host' if it has half-hourly meters on its exit points and the embedded network take is netted off the 'host' distributor GSPG group take in Stage 1 settlements.
<b>B</b>	Do you support the Focus Group recommendation that the only feasible solution for the short term is option 1a?	No	There is at least one valid option that would suit the commercial and industrial sectors with half-hourly metering (see above).
<b>C</b>	Do you think that option 1a should also be considered as an enduring solution?	Yes	Provided other workable solutions are not excluded.
<b>D</b>	Please note any issues with option 1a that have not been documented in the paper.		<p>Only 1,000 LLFCs per Distributor ID gives a limited number available to allocate to new Distributors.</p> <p>Routing emergency telephone calls via Host PES distributor will cause delays with potential H&amp;S impact.</p> <p>Routing Distributor Data Flows which contains Data for more than Distributor may prove expensive and cause delays.</p> <p>MPAS reporting systems are not currently designed to split by LLFC.</p>
<b>E</b>	Do you agree with the Focus Group recommendation that the detailed impact assessment should focus on options 1, 1a and 7?	No	Other solutions (already mentioned) should be included.
<b>F</b>	Is your preferred solution based on option 1, 1a or 7? Alternatively, do you prefer a combination of each of these options?	N/A	We see options 1, 1a and 7 as feasible, but do not want to discount other options.

### Industry Impact Assessment

Question	Rationale
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	<b>Question</b>	<b>Rationale</b>
<b>F</b>	The Focus Group has noted an issue with identifying the relevant Distribution Business and MPAS. Do you believe that the first two digits of the core MPAN should primarily be a Distributor Id or MPAS Id? Please provide your views, referring to options 1, 1a and 7 if necessary.	Use the first two characters as the MPAS ID allocating all the existing MPANs (starting with '12' to the current in-area Distributor for London). Allocate a new set of MPANs (starting '32' for London) to the same MPAS and use the 3 <sup>rd</sup> , 4 <sup>th</sup> & 5 <sup>th</sup> characters allocated to a distributor.
<b>G</b>	If you believe the first two digits of the core MPAN should represent an MPAS Id, do you agree that the LLFC should be used to identify the relevant Distributor?	No: see above (use third to fifth digits of the MPAN).  OR  Potential short-term fix by limited by the number of unused LLFCs.
<b>H</b>	If you believe the first two digits of the core MPAN should represent a Distributor Id, how do you propose the relevant MPAS provider is identified?	N/A
<b>I</b>	An agreed solution for DUoS billing is required for all registration options. Although the commercial sub group will investigate this in detail, your initial views would be welcomed.	A robust method has to be found of one distribution business collecting and handing over a proportion of DUOS income to another distribution business. This must include the need for audit. The option we have already suggested would overcome these problems.
<b>J</b>	Please note any other relevant settlement or registration related issues that you believe have not yet been addressed.	N/A

## **Response from Centrica**

To; Jill Ashby – MRASCo

Sarah Parsons - Elexon

### **Re; Consultation on Settlement and Registration Issues Associated with New Distribution Licensees.**

Thank you for providing us with the opportunity to comment on the above consultation paper. As requested, we have completed the questions and entered our responses within the template provided.

We are aware that further consultation may be required on the issues raised by the other two sub-groups. We would be grateful, therefore, if you could advise the relevant chairpersons that we wish to be a contributor to that process and that copies of any papers should be forwarded to [nick.carter@centrica.co.uk](mailto:nick.carter@centrica.co.uk).

If you have any questions about any of the points made in this response please do not hesitate to contact me on 01784 646136.

Yours Sincerely

Nick Carter

Account Manager

## Response from Centrica

### Focus Group Approach

	Question	Yes/ No	Rationale
<b>A</b>	Do you support the Focus Group recommendation that the industry model should incorporate new Distribution Licensee's networks within the relevant GSP Group?	Yes	We see this as the only feasible solution to this issue.  Further we appreciate that, in selecting option 7 (see below), there are potential GSP group correction factor issues. The sub-group would need to ascertain how an individual MPAN is identified as being within any given GSP group and that the 'take' from that MPAN is recorded in the correct group.
<b>B</b>	Do you support the Focus Group recommendation that the only feasible solution for the short term is option 1a?	Yes	We believe that this is the least cost and minimum change option for the short term. However, for the reasons detailed below, we would not wish this option to be in place for longer than absolutely necessary.
<b>C</b>	Do you think that option 1a should also be considered as an enduring solution?	No	Whilst we support this option as the most appropriate in the short term we do not agree to this being the enduring solution.  We are concerned that this option does not give the supplier the required level of visibility as to which distributor owns a particular MPAN.  Solution 1a proposes the use of LLF's to identify the distributor, but this information is only available within the full MPAN. As a supplier we only receive core MPAN data with which to register customers. Therefore if we were required to use LLF's for identification we would be placed in a position where we could not offer potential customers an immediate tariff quotation or streamlined emergency services.
<b>D</b>	Please note any issues with option 1a that have not been documented in the paper.	N/A	N/A
<b>E</b>	Do you agree with the Focus Group recommendation that the detailed impact assessment should focus on options 1, 1a and 7?		As stated above we do not favour options that use the LLF as the identifier of the distributor, therefore we believe that sub-group's focus should be on option 7. We urge the group to complete the impact and cost analyses in the shortest possible time.
<b>F</b>	Is your preferred solution based on option 1, 1a or 7? Alternatively, do you prefer a combination of each of these options?	N/A	Our preferred option is number 7.

### Industry Impact Assessment

	Question	Rationale
<b>F</b>	The Focus Group has noted an issue with identifying the relevant Distribution Business and MPAS. Do you believe that the first two digits of the core MPAN should primarily be a Distributor Id or MPAS Id? Please provide your views, referring to options 1, 1a and 7 if necessary.	We believe that the first two digits should be used as the Distributor ID. This will ensure that suppliers have immediate visibility to the relevant distributor and therefore the information needed to supply informed decisions to customers in relation to tariffs, emergencies and service levels.
<b>G</b>	If you believe the first two digits of the core MPAN should represent an MPAS Id, do you agree that the LLFC should be used to identify the relevant Distributor?	N/A

	<b>Question</b>	<b>Rationale</b>
<b>H</b>	If you believe the first two digits of the core MPAN should represent a Distributor Id, how do you propose the relevant MPAS provider is identified?	We believe that the new distribution business should contract with a single MPAS provider thereby providing a one to one MPAN relationship. We further believe that there should be an obligation on all distribution businesses to inform suppliers of their chosen MPAS.
<b>I</b>	An agreed solution for DUoS billing is required for all registration options. Although the commercial sub group will investigate this in detail, your initial views would be welcomed.	British Gas Trading believes that only one invoice should be raised for each MPAN site. We are not in agreement with the suggestion that 'split billing' could be performed. The contractual relationship between the new distribution business and the MPAS operator should ensure that only one invoice is raised.
<b>J</b>	Please note any other relevant settlement or registration related issues that you believe have not yet been addressed.	<p>a) We believe that confidentiality of information should at all times be foremost in any decisions made. The use of a one to one relationship between the distributor and the MPAS will ensure that all market participants are aware who to route data flows thorough. Further, Bi-lateral contracts between participants must ensure confidentiality</p> <p>b) We believe that the introduction of the one to one relationship between distributors and MPAS will provide for competition in this area. The distributor will be able to contract with the most cost-effective MPAS. Potentially, any cost reductions could be passed on to end customers.</p>

## **Response from United Utilities plc**

United Utilities believe that there are several fundamental questions which need to be answered before an informed response can be made to this consultation paper:

- **United Utilities believe that OFGEM need set out the general principles of how existing Distribution Businesses will interact with new Distribution Businesses entering the market;**
- **Whilst The Utilities Act supports competition, it does not cover competition in distribution. Host Distribution Business should therefore be given incentives to drive this forward; and**
- **Distribution Businesses are faced with the cost of system changes that are solely to the benefit of new Distribution Businesses. OFGEM should consider the issue of Host PES Distribution Businesses recovering these costs which are of no benefit to them and any costs associated with a ‘quick fix’ solution.**

### **Recommendation**

United Utilities believe that this issue should be placed on hold until Ofgem provide clear principles/guidance to those issues raised above.

### **Focus Group Approach**

	<b>Question</b>	<b>Yes/ No</b>	<b>Rationale</b>
<b>A</b>	Do you support the Focus Group recommendation that the industry model should incorporate new Distribution Licensee’s networks within the relevant GSP Group?	NO	There has been insufficient time given, together with a need for some fundamental questions to be answered, before we can respond to these recommendations.
<b>B</b>	Do you support the Focus Group recommendation that the only feasible solution for the short term is option 1a?	NO	We do not support a ‘quick fix’ solution to deal with new Distribution Businesses entering the market. This poses too many risks.  We believe that any new Distribution Business should follow a strict market entry process eradicating any risks to existing industry players.
<b>C</b>	Do you think that option 1a should also be considered as an enduring solution?	NO	
<b>D</b>	Please note any issues with option 1a that have not been documented in the paper.	N/A	See B
<b>E</b>	Do you agree with the Focus Group recommendation that the detailed impact assessment should focus on options 1, 1a and 7?	NO	We do not believe that a full impact analysis on all the potential options has been carried out prior to particular options being discounted. On this basis, with so little information, we are unable to form a view.
<b>F</b>	Is your preferred solution based on option 1, 1a or 7? Alternatively, do you prefer a combination of each of these options?	N/A	None.  We do not believe that these recommendations reflect the overall position as they do not identify any ‘knock on’ effects as a result of new practices.

## Industry Impact Assessment

	Question	Rationale
<b>G</b>	The Focus Group has noted an issue with identifying the relevant Distribution Business and MPAS. Do you believe that the first two digits of the core MPAN should primarily be a Distributor Id or MPAS Id? <del>Please provide your views, referring to options 1, 1a and 7 if necessary.</del>	We believe that the first two digits should be the Distributor ID.
<b>H</b>	If you believe the first two digits of the core MPAN should represent an MPAS Id, do you agree that the LLFC should be used to identify the relevant Distributor?	N/A
<b>I</b>	If you believe the first two digits of the core MPAN should represent a Distributor Id, how do you propose the relevant MPAS provider is identified?	Suggest that MDD is reviewed to establish if there is an opportunity to match Dist IDs and MPAS Market Participant IDs.
<b>J</b>	An agreed solution for DUoS billing is required for all registration options. Although the commercial sub group will investigate this in detail, your initial views would be welcomed.	We do not believe Host PES Distributors should bill Suppliers. Their relationship is strictly with the new Distribution Business and not the Supplier.
<b>K</b>	Please note any other relevant settlement or registration related issues that you believe have not yet been addressed.	There are several fundamental questions which need to be answered before we are able to form a response to this consultation paper:

# Response from Western Power Distribution

## Focus Group Approach

	Question	Yes/ No	Rationale
A	Do you support the Focus Group recommendation that the industry model should incorporate new Distribution Licensee's networks within the relevant GSP Group?	Yes	The cost of changes that would be required, to increase the number of available GSP groups, is not warranted at this stage.

	Question	Yes/ No	Rationale
<b>B</b>	Do you support the Focus Group recommendation that the only feasible solution for the short term is option 1a?	No	<p>Firstly, we question the need for any interim solution. We would prefer rapid selection of an enduring option and full commitment to delivering it as soon as possible. It has been stated that changes to the central systems would take at least six months but surely this is dependent on the level of resources allocated to the changes.</p> <p>Secondly, there seems to have been an assumption that the extra requirements being imposed on the fourteen existing Distribution Businesses are easier and quicker to deliver than changes to the Central Systems. From a “systems change” perspective this may be true but there are many associated issues that arise, including the following:</p> <ol style="list-style-type: none"> <li>1. Under the license we are required to provide SMRS to a new distributor who wishes to register MPANS. We accept this is an obligation and have no problems in offering such services. However, we are not obliged to undertake flow routing for the new distributor, i.e. passing on flows sent to us in the first instance, and do not wish to do so as it complicates our existing processes.</li> <li>2. It has been stated that Ofgem will rule on the level of charges that can be levied for provision of MPAS services. Who will decide on the level of charges to be levied for Distribution flow routing? If compelled to provide these services we would expect to be able to fully recover all costs.</li> <li>3. Will there be rules stipulating the timescales for any flow routing? How will such rules be set? How will they be enforced? What will be the penalties for non-compliance?</li> <li>4. What is the protocol for passing data to another Distributor? Will it be via the DTN or will it be via another medium? What are the data standards to be adhered to?</li> </ol> <p>We currently have a robust national design for communications between parties in the electricity industry with clearly defined standards and responsibilities. New entrants should adhere to these standards. Developing an alternative to them will require new commercial and technical agreements. Even assuming relatively rapid development of these, it is likely to take months to deliver the interim solution.</p>
<b>C</b>	Do you think that option 1a should also be considered as an enduring solution?	No	As above. We do not want to take on additional obligations as an alternative to all parties using the existing national baseline.

	Question	Yes/ No	Rationale
<b>D</b>	Please note any issues with option 1a that have not been documented in the paper.	N/A	There are no obligations on existing host distributors to route flows on behalf of a new embedded or directly connected distributor. Without such routing, option 1A is not viable. Without alternative arrangements new distributors, who wish to operate within an area where the existing distributor does not undertake flow routing, will be disadvantaged.
<b>E</b>	Do you agree with the Focus Group recommendation that the detailed impact assessment should focus on options 1, 1a and 7?	No	For the reasons stated above, option 1a should be discarded.  Option 1 is not dependent on the existing distributor routing flows as the flow recipient will be identified by MPAN range, LLF, or both. However, it has already been identified that the LLF will not be visible to all other parties. Existing data items such as the LLF should not be used for purposes for which they were not intended; this only increases the likelihood of confusion and errors.  Option 7 seems the most sensible option by far. Resources should be aimed at completing a detailed impact of this option.
<b>F</b>	Is your preferred solution based on option 1, 1a or 7? Alternatively, do you prefer a combination of each of these options?	N/A	Strongly in favour of option 7

## Industry Impact Assessment

	Question	Rationale
<b>G</b>	The Focus Group has noted an issue with identifying the relevant Distribution Business and MPAS. Do you believe that the first two digits of the core MPAN should primarily be a Distributor Id or MPAS Id? Please provide your views, referring to options 1, 1a and 7 if necessary.	In our view there is no need to differentiate between whether these two digits refer to the Distributor or the MPAS. It should continue to refer to both, as in option 7.  If options 1 or 1A do go forward then it would be logical for the two digits to represent the MPAS
<b>H</b>	If you believe the first two digits of the core MPAN should represent an MPAS Id, do you agree that the LLFC should be used to identify the relevant Distributor?	No. LLFC is not visible to all parties so this option would need to be supplemented by additional communications between suppliers and their agents. This will provide a significant opportunity for error.  It would be preferable for new distributors to be allocated a range of MPANs from within the existing distributor range of numbers. There is ample scope for this within the available MPAN field. Initially, existing distributors would be asked to release <i>n</i> million MPANs from within their range; these could be registered with Elexon/Mrasco and released to new entrants as needed.
<b>I</b>	If you believe the first two digits of the core MPAN should represent a Distributor Id, how do you propose the relevant MPAS provider is identified?	N/A

	Question	Rationale
J	<p>An agreed solution for DUoS billing is required for all registration options. Although the commercial sub group will investigate this in detail, your initial views would be welcomed.</p>	<p>Depending on the registration solution adopted, we may not know the identity of the supplier. Changing the settlement and supplier systems, to provide for invoicing and payment of multiple DUoS bills, is significant and will impose additional costs on existing parties for no real benefit. We would want to invoice the embedded distributor direct based on either metering at the DSCP, or on final aggregated consumption at the connected metering points. We would expect embedded distributors to have guarantees in place in case of default.</p>
K	<p>Please note any other relevant settlement or registration related issues that you believe have not yet been addressed.</p>	<p>We are concerned that within the proposed options no apparent effort has been made to identify, and propose solutions for, problems that a customer will experience when trying to contact the correct distribution business. Obviously this does not impact directly on the settlements systems, but the ability for participants to deliver high standards of customer service must be a fundamental element of any new arrangements. This principle should not be obscured in the interest of providing a technically correct settlement option.</p> <p>Currently, all customers within our geographic area will be recorded on both our MPAS and Engineering systems. We are therefore able to respond to queries from customers who, for example, want to know their MPAN number or who are reporting faults.</p> <p>In future, depending on the settlement option chosen, we may only have details on our MPAS system or, under our preferred option 7 we may have no record of the customer at all.</p> <p>This will lead to difficulties for all market participants and customers unless the customer is aware of their MPAN at all times. In reality, many customers do not retain electricity bills or other documentation and, as such they will not know their MPAN. Indeed it is likely that the customer will not even be aware that they are connected to a “new” distribution network. Potential problems include:</p> <ol style="list-style-type: none"> <li>1. When a customer elects to change supplier, but the new supplier cannot trace the MPAN from CD Rom data, the new supplier advises the customer to contact their local MPAS operator who will trace and supply the MPAN. In future, which MPAS will the customer be asked to contact? Their MPAN could potentially be recorded on any of the MPAS systems operating.</li> <li>2. In the event of a fault, whom will the customer contact? Typically we would expect the customer to look in the yellow pages, obtain the phone number of the host distributor, and telephone us. However, we may have no knowledge of the customer, we would not be aware of the technical nature of their connection, and we would not necessarily be aware of who the actual distributor was.</li> </ol> <p>The problems represent a serious difficulty that will result in poor customer service. In our view these problems will not be solved by efforts to educate the customer, or by initiatives to make the MPAN more prominent on correspondence and bills. Detailed analysis of potential problems and possible solutions is required and the solutions must not impose additional cost on existing distributors without such cost being fully recoverable.</p>



## **Response from Northern Electric Distribution Ltd**

### **Focus Group Approach**

	<b>Question</b>	<b>Yes/ No</b>	<b>Rationale</b>
<b>A</b>	Do you support the Focus Group recommendation that the industry model should incorporate new Distribution Licensee's networks within the relevant GSP Group?	<b>NO</b>	<p>We strongly reject this proposal. We believe 2 options should be available, depending on whether the independent distributor is:</p> <p>13) An existing (former Host-PES) Distribution Business that is operating "Out-of-Area"; or</p> <p>14) A genuinely new Distribution Business which does not have it's own MPAS or GSP Group.</p> <p><u>For 13) (former Host-PES DB)</u></p> <p>We believe the out-of-area distribution network should be logically attached to the GSP Group normally used by that DB and not to the local DB's GSP Group. Similarly for MPAS and DUOS Billing. (This is similar to Option 9).</p> <p><u>For 14) (Genuine New DB)</u></p> <p>We believe that the New DB should be able to nominate which of the existing GSP Groups it wishes to be logically attached to, and that it should enter into a bilateral agreement with that existing DB to provide MPAS and DUOS Billing services. (Similar to Options 1 and 3).</p>
<b>B</b>	Do you support the Focus Group recommendation that the only feasible solution for the short term is option 1a?	<b>NO</b>	<p>We believe that Options 13) (for existing DB's working out-of-area) can be put into use immediately with absolutely no changes to central or local systems.</p> <p>Similarly we believe that Option 14) (for genuinely New DBs) can be put in place as soon as a bilateral agreement can be reached with an existing DB. No changes are required to central systems, and depending on the nature of the bilateral agreement, no changes may be needed for local systems.</p>
<b>C</b>	Do you think that option 1a should also be considered as an enduring solution?	<b>NO</b>	We believe that Options 13) and 14) provide the enduring solution(s).
<b>D</b>	Please note any issues with option 1a that have not been documented in the paper.	N/A	
<b>E</b>	Do you agree with the Focus Group recommendation that the detailed impact assessment should focus on options 1, 1a and 7?	<b>NO</b>	We believe that the DLIA should concentrate on Options 13) and 14) only

	Question	Yes/ No	Rationale
<b>F</b>	Is your preferred solution based on option 1, 1a or 7? Alternatively, do you prefer a combination of each of these options?	N/A	

## Industry Impact Assessment

	Question	Rationale
<b>G</b>	The Focus Group has noted an issue with identifying the relevant Distribution Business and MPAS. Do you believe that the first two digits of the core MPAN should primarily be a Distributor Id or MPAS Id? Please provide your views, referring to options 1, 1a and 7 if necessary.	Yes, we believe that the first 2 digits should be the MPAS Service Provider ID, and that the Distributor ID should be encoded within the LLF Class.  This works correctly for Options 13) and 14) described above.
<b>H</b>	If you believe the first two digits of the core MPAN should represent an MPAS Id, do you agree that the LLFC should be used to identify the relevant Distributor?	Yes
<b>I</b>	If you believe the first two digits of the core MPAN should represent a Distributor Id, how do you propose the relevant MPAS provider is identified?	N/A
<b>J</b>	An agreed solution for DUoS billing is required for all registration options. Although the commercial sub group will investigate this in detail, your initial views would be welcomed.	We recommended that for Option 13 (Existing DB operating out-of-area) they should do their own DUoS billing.  For Option 14 (Genuinely new DB), we recommend that they enter into a bilateral agreement with an existing (former Host-PES) DB to either do their DUoS Billing for them, or to forward to them filtered copies of relevant DTC flows (e.g. D30, D275 etc).
<b>K</b>	Please note any other relevant settlement or registration related issues that you believe have not yet been addressed.	The flows to Distributor (and to SFIC) also need to be carefully considered. This covers information such as Safety Issues, Planned Outages, Customer Name and Special Needs, Site Technical Details, Distribution Capacity, Energisation Status.

## Response from Seaboard Power Networks

### Focus Group Approach

	Question	Yes/ No	Rationale
<b>A</b>	Do you support the Focus Group recommendation that the industry model should incorporate new Distribution Licensee's networks within the relevant GSP Group?	Yes	There appears to be no obvious benefits or beneficiaries from creating separate GSP groups to cover new Distributors networks where located within existing "distribution service areas". We note also Elexon's view that the costs of additional GSP groups linked to new individual networks and the profiling sensitivities would be significant. Our comments are caveated to the extent that we assume any new network connected direct to the Transmission Network would be classed as a new GSP Group for settlements purposes
<b>B</b>	Do you support the Focus Group recommendation that the only feasible solution for the short term is option 1a?	No	We do not sit comfortably with any of the proposed solutions being feasible as a solution that could be successfully implemented "for the short term". Recognising in point A above that existing GSP groups would remain as a guiding assumption, then at present we currently have an absolute alignment of PRS to GSP group. We have all experienced significant data quality issues and appreciate the advantage of one single robust PRS gives as a master source of ALL MPAN's that should be traded in that GSP group. We fundamentally believe that breaking this principle will allow substantive degradation of that alignment, the risk of losing MPAN's between PRS's (we believe this aspect already has materiality between Data Aggregators) and the consequent financial impact to suppliers, distributors and settlements. So we support the principle that there must be only one PRS fully and solely aligned with each GSP Group. On the assumption that this remains with the existing distribution licence holder, we understand OFGEM's and potential new distributor entrants concerns over charging levels. We would therefore accept that some appropriate form of price regulation is necessary (eg cost plus reasonable return on an allocated MPAN basis)
<b>C</b>	Do you think that option 1a should also be considered as an enduring solution?		The key principle of option 1a seems to be initially to route all distributor flows to the existing DB (Distribution Business) who will then be required to pass those that are relevant to the new DB on to him. As separate commercial organisations it cannot be right that flows required by the new DB are passed through another DB first. The principle of using LLFC's is however an imperative as this field is the key driver for both supplier and distributors to inform on the relevant loss factors and Use of System Tariff for that MPAN. We note and support the argument put forward by suppliers that they should only receive one Use of System invoice from the "final" DB to which the customer/MPAN is connected and the LLFC will therefore need to define that relevant tariff.

	Question	Yes/ No	Rationale
			<p>However since the paper clearly states that many flows do not include LLFC it will not be possible in many instances for the relevant participant to know to which DB to send the flow. It will clearly be necessary to create both a MPAS and DB identifier. See response to question H below.</p> <p>For these various reasons we therefore do not support option 1a for an enduring or interim solution and believe option 1 is the only option with true long term robustness</p>
<b>D</b>	Please note any issues with option 1a that have not been documented in the paper.	N/A	See above
<b>E</b>	Do you agree with the Focus Group recommendation that the detailed impact assessment should focus on options 1, 1a and 7?		We do not support option 7 for the arguments discussed above. We believe the appropriate solution will require separate identification of relevant MPAS and DB and neither of these options is fully discussed in 1 or 1a
<b>F</b>	Is your preferred solution based on option 1, 1a or 7? Alternatively, do you prefer a combination of each of these options?	N/A	See answer to E above

## Industry Impact Assessment

	Question	Rationale
<b>G</b>	The Focus Group has noted an issue with identifying the relevant Distribution Business and MPAS. Do you believe that the first two digits of the core MPAN should primarily be a Distributor Id or MPAS Id? Please provide your views, referring to options 1, 1a and 7 if necessary.	The two digits should be used to identify the MPAS which we also strongly argue should be directly matched to the one and only corresponding GSP group as defined via DB licences as the distribution service area
<b>H</b>	If you believe the first two digits of the core MPAN should represent an MPAS Id, do you agree that the LLFC should be used to identify the relevant Distributor?	LLFC are there to identify the appropriate line loss factor and DuoS tariff. We believe it will not be practical to identify a robust national mapping set of rules that works. Our recommendation is either to extend the field from 3 to 5 digits using the first 2 as a distributor ID or create a new field. We recognise that LLFC's are not present in all flows and we suspect it may be more costly to add them to all flows. A better alternate may be to create a new field, which will be more robust longer term.
<b>I</b>	If you believe the first two digits of the core MPAN should represent a Distributor Id, how do you propose the relevant MPAS provider is identified?	

	<b>Question</b>	<b>Rationale</b>
<b>J</b>	<p>An agreed solution for DUoS billing is required for all registration options. Although the commercial sub group will investigate this in detail, your initial views would be welcomed.</p>	<p>Inter DB boundary metering is clearly required and these must operate within Stage 1 Settlements in order to deliver data to the provider of the boundary connection for billing of up stream assets and to the receiver in order to validate the invoice. We support then the argument that the “final” DB is responsible for supplier Use of System billing in as far as each connected MPAN is concerned. LLFC management will hence be required in any scenario in order to send the right HH and non HH metered data to the final DB</p>
<b>K</b>	<p>Please note any other relevant settlement or registration related issues that you believe have not yet been addressed.</p>	<p>Whilst we recognise that this process is focussing on identifying an appropriate “operational” way forward and other groups will focus on commercial issues, it is nevertheless important to recognise that costs falling on distributors for distribution activities will require funding as not covered through the existing regulatory arrangements</p>

# **Response from Yorkshire Electricity Distribution**

Your ref

Our ref DRA/HB

Sarah Parsons – Elexon  
Jill Saxby - MRASCo

16 November 2001

## **Distribution**

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Dear Sirs

### **Consultation on Settlement and Registration Issues Associated with New Distribution Licensees**

Thank you for the opportunity to comment on the above consultation. Please note that I am responding on behalf of Yorkshire Electricity Distribution.

#### **Approach to the Issues**

Whilst we acknowledge that the detail of the consultation is focussed on developing a suitable industry solution, we have some concerns that the underlying principles should be analysed and agreed prior to converging at a solution of any kind.

It is our opinion that the most cost effective industry solution be developed and delivered. As such failure to undertake more detailed industry analysis of the issues and risks could result in a solution being pursued which favours one industry participant to the detriment of another.

#### **Representation and Facilitation of the Process**

Whilst we understand that companies from various industry sectors have attended the MRASCo meetings, we have some concerns that the group has not been given the remit or authority to represent the industry as a whole. Therefore the group has no authority to impose solutions that are outside the governance of the MRA. In order to ensure that coherent industry solutions are developed by different industry sectors it is essential that a structured framework be established to facilitate and co-ordinate the development of industry changes with each of the industry sectors.

The only organisation that can realistically facilitate this process is Ofgem, given that MRASCo, Elexon, Distributors and Suppliers possess limited areas of authority and by default cannot hold a neutral position. Failure to establish effective co-ordination and programme management will, in our opinion, be detrimental to the successful delivery of the most effective industry solution.

#### **Cost of Recovery**

It is our belief that before the development of enduring and equitable industry solutions can commence, it is essential that key principles with respect to the

financing and commercial arrangements associated with the industry change are established.

Furthermore, in accommodating new distribution licence holders there should be no cross subsidy by existing distributors, or by customers of different distribution businesses. Additionally, the operation of existing distribution networks should not be compromised by the connection of new networks. This can only be achieved by adhering to the following principles:

- The set up costs of accommodating new distributors should have a neutral impact on existing distributors and existing customers. Any costs that existing distributors incur in changing systems or processes to accommodate new distributor licence holders should be fully recoverable from the new licence holder. It is our opinion that any requirement for existing distributors or customers to finance changes to accommodate a new distributor would amount to a cross subsidy.
- On an ongoing basis there should be no cross subsidy between customers connected to one distribution system and those connected to another. Therefore energy flows across the boundary between distribution systems must be metered and allocated to the appropriate distribution business. This principle is already established for the treatment of interconnectors between distribution businesses.
- Commercial arrangements need to be in place to cover the connection and use of system arrangements between connecting distribution businesses as well as the services provided by one distribution business to another. In our opinion these should be developed as industry model forms.
- It is imperative that the emergence of new distributors should not be allowed to affect established distributors' standards of customer service and public safety.

I trust you will find these comments helpful. If I can be of any further assistance, please contact me on the telephone number shown above.

Yours sincerely

**HELEN BACHU**  
Regulation Analyst

## Response from Npower, Yorkshire and Innogy Supply

### Focus Group Approach

	Question	Yes/ No	Rationale
<b>A</b>	Do you support the Focus Group recommendation that the industry model should incorporate new Distribution Licensee's networks within the relevant GSP Group?	Yes	This option would provide an interim solution for the immediate problems and it should be recognised as such.
<b>B</b>	Do you support the Focus Group recommendation that the only feasible solution for the short term is option 1a?	No	Variations on option 7 should not be discounted.
<b>C</b>	Do you think that option 1a should also be considered as an enduring solution?	No	This solution is a crude way round an immediate problem and will only work for a small number of new networks and mpans. An enduring solution will need to be robust and automated
<b>D</b>	Please note any issues with option 1a that have not been documented in the paper.	N/A	This option effectively changes the distributor ID in the MPAN to the MPAS provider. The use of llfc to identify distributor introduces complex new processing for suppliers and agents. Suppliers need to know Distributor identity before quotes can be made and this data is not available from the MPAN.
<b>E</b>	Do you agree with the Focus Group recommendation that the detailed impact assessment should focus on options 1, 1a and 7?	Yes	Only as a way to provide a viable short term solution
<b>F</b>	Is your preferred solution based on option 1, 1a or 7? Alternatively, do you prefer a combination of each of these options?	N/A	Option 7 where the new Disco provides or procures MPAS services from another Distributor would cause least disruption to supply businesses. Apart from recognising new participants existing agent and supplier systems would remain unchanged. (except for DA). Finding the Mpas provider for the new distributor is then simply a routing exercise with many solutions.  We believe it would be safer to apply changes centrally rather than all participants make major changes.

## Industry Impact Assessment

	Question	Rationale
<b>G</b>	The Focus Group has noted an issue with identifying the relevant Distribution Business and MPAS. Do you believe that the first two digits of the core MPAN should primarily be a Distributor Id or MPAS Id? Please provide your views, referring to options 1, 1a and 7 if necessary.	Providing the distributor is required to have a discrete MPAS service then the two would remain synonymous as now. From a supplier point the first information required is distributor. MPAS is a later consideration.
<b>H</b>	If you believe the first two digits of the core MPAN should represent an MPAS Id, do you agree that the LLFC should be used to identify the relevant Distributor?	This would be the best of a poor choice and would introduce its own difficulties. The use of llfc to identify distributor could further increase the number of ssc/mtc combinations which are already problematic.
<b>I</b>	If you believe the first two digits of the core MPAN should represent a Distributor Id, how do you propose the relevant MPAS provider is identified?	This is largely a routing problem. Either the distributor could inform all participants and routings could be adjusted or each distributor could be responsible for such routings. If there is a discrete MPAS service for each distributor then this problem is simplified.
<b>J</b>	An agreed solution for DUoS billing is required for all registration options. Although the commercial sub group will investigate this in detail, your initial views would be welcomed.	Charges from the host to the guest distributor should be based on a metered connection. This meter should be registered, possibly CVA, for audit purposes but not used for settlement. The new DB can then determine duos tariffs in the normal way and suppliers on the new network would get a single charge as for any other network. This would also mean that each distributor could have only one set of tariffs regardless network location.
<b>K</b>	Please note any other relevant settlement or registration related issues that you believe have not yet been addressed.	<p>Whatever interim solution is eventually chosen it should not preclude the delivery of a more robust long term solution.</p> <p>In the longer term it should be possible to allow for small networks to be directly connected and settled separately. This would also need to take account of new metering technology and small scale renewables. A central registration service as proposed initially could also be appropriate</p> <p>Whatever solution is chosen all parties will have to modify systems to recognise the new MPAS provider. Changes would be needed to COS, NCD and Billing systems to allow new Mpas to be set up and ensure we could change Mpas ID to ensure all flows are issued correctly, with changes to Bills etc to allow for new information ie emergency contact numbers.</p>
<b>J</b>	Additional concerns.	Whatever solution is chosen all parties will have to modify systems to recognise the new MPAS provider. Changes would be needed to COS, NCD and Billing systems to allow new Mpas to be accommodated to ensure all flows are issued correctly, with changes to Bills etc to allow for new information ie emergency contact numbers

## **Response from Scottish Power Energy Retail Ltd**

Please accept the following as being representative of the views of Scottish Power Energy Retail Ltd. in the matter of 'New Distribution Licensees - Consultation document on Settlement and Registration issues.'

In response to the questionnaire entitled 'Focus Group Approach, we would offer the following responses: -

Q.A. - Yes

Q.B. - Yes

Q.C. - Yes

Q.E. - Yes

In response to the questionnaire entitled 'Industry Impact Assessment', we would offer the following responses: -

Q.F. - We believe that the first two digits of the MPAN offers the best means of identifying the Distributor.

Q.G.- In our opinion, using LLFCs would require greater change to participants' systems, and would introduce the danger of creating too many LLFCs, with regard to data volumes, sufficient number ranges, etc.

Q.H. - A table might be incorporated into MDD which would cross reference Distributor IDs to the related MPAS.

Q.I. - If the host Distributor first bills the embedded network owner for the distribution of energy from the host network boundary (i.e. GSP) to the point of connection of the embedded network and the embedded network owner, in turn, bills the customer's Supplier for a combined DUoS charge, incorporating his own embedded network charges together with recovery of the host's charges, the Supplier would receive only one DUoS bill and both Distributors would recover the relevant charges.