

AMO Call for Evidence Response

Subject	Exemptions from electricity licence – BEIS call for evidence
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I Background

The Association of Meter Operators (AMO) is a trade association representing the interests the twenty-three utility metering company members. For further details see [AMO website](#). AMO members had visibility of a draft of this response and this response includes any subsequent member feedback.

The Association of Meter Operators (AMO) has been involved in discussions surrounding the impact of Licence Exempt Distribution Networks (LENs) over many years. The issues cut across multiple governance arrangements, are complex to understand, do not manifest themselves in apparent direct customer impacts and, as a result, have never triggered any serious investigation by any governance body. It is hoped that this call for evidence¹ by BEIS will provide the necessary trigger to improve the current arrangements for the benefit of industry stakeholders and end user customers.

I.1 Key Messages

The existence of Licence Exempt Distribution Networks (LENs) has on Meter Operators, include:

- Complexity for permissions to safely operate the distributor equipment
- Confusion about responsibility for the distribution network/metering interface
- Risk of unsafe metering equipment being installed
- Risk of inaccurate measurement impacting on customer billing, and
- Delays to the deployment of smart metering

The existence of Licence Exempt Distribution Networks (LENs) has on end user customers, include:

- Delays in responding to metering and/or distribution faults
- Delays in new connections being energised
- Complexity in determining responsibility for repairs
- Unexpected costs for Use of System and LEN equipment replacement, and
- Lack of guaranteed payments for loss of supply

The existence of Licence Exempt Distribution Networks (LENs) has on all stakeholders, include:

- The opportunity for theft of electricity, which increases costs for all customers, and
- Complexity in obtaining new connections.

¹ www.gov.uk/government/consultations/exemptions-from-the-requirement-for-an-electricity-licence-call-for-evidence

It should be recognised that [SI3270: the Electricity \(Class Exemption from the Requirement for a Licence\) Order 2001](#) replaced earlier legislation, so the concept of a LEN did not only commence in 2001, there have been LENs going back over 50 years.

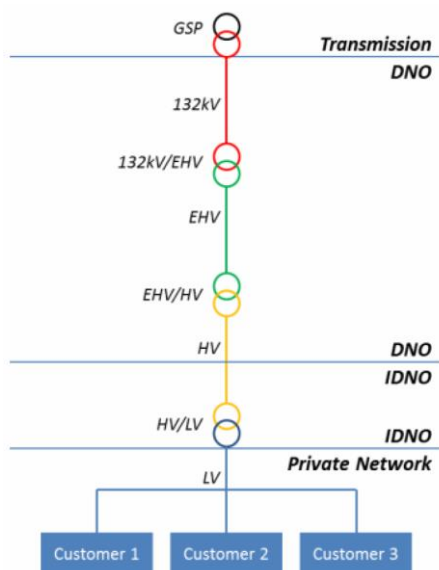
2 Why do Meter Operators have an interest?

Meter Operators are keen to understand whether any connection is a LEN or a licensed network operator connection because:

- MOCOPA (see 5.6) provides agreement to work on licensed distribution networks. It does not provide the same arrangements for LEN connections which adds cost, effort and potentially safety issues
- Where problems are identified with distribution connection termination equipment then they should be reported and resolved by the appropriate distribution network operator – currently is it not apparent when a connection point is a LEN or a licensed distribution network connection
- Where problems require reporting then reporting to the correct network operator will enable faster resolution. Identified problems may be safety critical, or a loss of customer supply, which require immediate response
- Resolving problems quickly saves time/effort and money for all stakeholders, but most particularly the affected customers

The AMO would like to see a requirement for Licensed Distributors to identify the MPANs issued on a LEN and should maintain a register of LEN operational points of contact.

3 What is a LEN?



A Licensed Exempt Distribution Network (LEN) is defined in legislation. A LEN is *not a licensed* distribution network, so it is not a licensed Distribution Network Operator (DNO) or licensed Independent Distribution Network Operator (IDNO). A LEN is also known in some documents as a Building Network Operator (BNO), a Private Network Operator (PNO) and in the BSC as an Associated Distribution System.

The most recognised example of a LEN is a block of flats where the licensed distribution network terminates at a connection point in a switch room in the base of the building, where there is an boundary point between the licensed distribution network and the LEN. The LEN then provides cabling and switchgear to distribute the power around the building to multiple metered customers in each flat. The metering may be located in the flat, in which case the cabling from the licensed distribution network/LEN

connection point to the flat is part of the LEN distribution equipment. Alternatively, the metering may all be located in a common switch room, in which case the cabling from the licensed distribution network/LEN connection point to the metering in the switch room is part of the LEN distribution network.

In simple terms, if the metering equipment is connected directly to a DNO (or IDNO) cut-out then there is no LEN involvement. If there is other electrical distribution equipment then it is LEN. The metering equipment is normally located at the boundary between the distribution network and the consumers installation.

3.1 Example 1

The diagram above indicates a distribution network, including an IDNO making a connection to a LEN where there are multiple customers (with MPANs) connected to the LEN.

The picture shows a switch room with a distribution panel on the right. Some meters are located in the switch room (bottom left), the cables leaving top right are going to flats and meters elsewhere in the building. The distribution panel and the black cabling form part of the LEN distribution network.

This example was sent to me to illustrate how poorly the distribution cabling and metering was installed.



3.2 Example 2



This example is a new build block of six flats. In line with ER G87 (see 5.9) the licensed distribution network has provided a 3 phase 100amp cut-out to a switch room. The building electrician has then created distribution cabling to provide the connection to six single phase customer meters. This is not normal activity for a household electrician so when the metering company refused to connect the meters a specialist company was employed to re-engineer the installation. This added to the cost and delayed the powering up of each flat.

The photo indicates the intended meter positions as connector blocks. It is possible that each flat was receiving an unmetered supply at this stage. Which is not compliant with industry arrangements.

The ongoing installation and maintenance of this equipment will not be apparent to buyers of the flats and in time there will be a requirement (possibly not recognised by the customers) to maintain and ultimately replace the LEN

connection equipment.

Historically the licensed distribution network operator would have provided six single phase supplies to each flat. The ownership and responsibility would have been clear. To facilitate the 'meter room' the builder has had to create specific building space, whereas historically single phase cut-outs would have been installed in external meter boxes without the need for this 'lost space'.

Recent [BEIS guidance](#) to promote the efficient roll-out of smart meters in domestic new build premises has recommended meters located in each flat, not in a communal meter cupboard. This example is contradictory to the recent BEIS advice.

3.3 Ofgem determination

Ofgem made a determination in 2010 about responsibility for risers and lateral distribution equipment in 2010. This explored many of the considerations about responsibilities for blocks of flats. The determination was formally determined only for the buildings in question, but it did set out many of the arguments for other similar buildings.

<https://epr.ofgem.gov.uk/Document> then search for RBA-TR-A-DET-159. This will open up four documents.

A key issue is that the history of who is responsible for what in different premises is not well recorded and each scenario can be different. The outcome of this determination contributed to the creation and then increased use of ER G87 (see 5.9).

3.4 Subsequent Distributor approach

Since the Ofgem determination licensed Distributors have taken different approaches for existing premises. Some Distributors have taken a view that, unless proved otherwise by the landlord, internal distribution equipment is the responsibility of a LEN (typically the building owner). Others have taken on responsibility and obtained relevant funds under the Ofgem price control framework to repair and maintain the internal distribution equipment.

Many building owners may not be aware they are responsible for the repair and maintenance of internal distribution equipment. This leads to a lack of inspection and maintenance which, in turn, is a health and safety concern. The consequence of an unmanaged failure on the scale of Grenfell could lead to a considerable reputational impact for impacted stakeholders. Identifying the buildings and the relevant points of contact will enable effectivity communication of responsibilities hopefully preventing any serious issues on the scale of Grenfell.

4 **Provision of a LEN Indicator**

Many of the issues with LENs surround the need to identify that the connection point is a LEN connection as opposed to the licensed distribution network connection.

In many of the industry discussions the industry Regulators have asked 'how many LEN connections are there?' without a formal method to capture the information it is impossible to answer the question. However, due to policy changes by licensed distribution operators (see 5.9) the number of LEN connections is increasing faster than any time in the past.

Discussion at the Ofgem, Faster Switching Expert Group (FSEG) on the 1st Nov 2018 debated the rational for capturing an indicator to identify a Licensed Exempt Network (LEN). The debate has centred around the purpose of this indicator in respect of faster switching. The debate in the earlier Ofgem faster switching work was that the absence of LEN identification was a concern, which is why Ofgem included it in the required data items.

Ofgem have advised FSEG that this would be the definition that Ofgem would supply without compromising details. www.legislation.gov.uk/uksi/2001/3270/pdfs/ukxi_20013270_en.pdf. The proposal in 2019 included:

1. Licence Exempt Networks (LENs) or 'private networks' are gas or electricity distribution networks that are embedded within a licenced electricity distribution network (DNO).
2. The Switching Programme proposed that when a LEN connected customer wishes to switch supplier then the customer and or the supplier would instruct the DNO to create an MPAN for that customer.
3. Once created a Boolean identifier will be created and maintained in MPAS to indicate that the customer is connected to a LEN.
4. In both electricity and gas, the existing systems will be modified to include meter points on Licence Exempt Networks that wish to switch. An indicator will be used to identify the meter points as being located on a Licence Exempt Network.
- ...
12. When requesting the creation of these new MPxNs the supplier will have the address of the customer and must provide this to the network operator at the time of the request.
13. Adopting this approach will lead to LENs connected customers being readily identified and leading to a more accurate REL being created from the outset.
14. Both MPAS and UK Link will need to create a field to indicate that the MPxN is on a LEN and store this so that it can be conveyed and displayed on ECOES and DES.

The AMO is keen to see "a LEN indicator" included in the set of data held in the industry Registration Systems as a licensed Distributor owned data item. Although this has not, so far, progressed as part of the Ofgem faster switching work.

It is recognised that the historic knowledge is lost about a number of LEN connections, but if the registration system changes were made, then this could be progressively updated as/when the identity of individual sites becomes known.

5 Drivers for LEN identification (not exhaustive list)

It should be noted that as part of the creation of the Retail Energy Code² (REC) a number of the governance arrangements listed below will be changing during 2021, either wholly, like the MRA, or in part like DCUSA.

5.1 The Electricity (Class Exemptions from the Requirement for a Licence) Order 2001³

The License exemption has thresholds and limits, such as up to 2.5MW for domestic customers. In previous discussions with DECC/BEIS as to how this is policed, the response has been it is up to the LEN to comply with the legislation – self policed. If LEN connections are identifiable in the registration systems then it will be possible to better able to recognise if the thresholds are being correctly complied with.

If unlicensed distribution networks exceed the exemption limits then they are legally required to become licensed Distributors, known as IDNOs, and all the relevant license conditions apply to protect customers.

Anecdotal evidence suggests that many large domestic landlords may be exceeding the threshold and should be licenced. There is ambiguity about whether this legislative threshold exists for a single premise or across a series of premises. Clarity from BEIS on SI definitions would be welcome.

² www.retailenergycode.co.uk

³ [SI3270: the Electricity \(Class Exemption from the Requirement for a Licence\) Order 2001](#)

5.2 The Electricity Safety, Quality and Continuity Regulations (ESOCR)

www.legislation.gov.uk/uksi/2002/2665/regulation/25/made

25.—(1) No person shall make or alter a connection from a distributor's network to a consumer's installation, a street electrical fixture or to another distributor's network without that distributor's consent, unless such consent has been unreasonably withheld.

Implication is that the licensed Distributor knows, and has approved, all LEN connections to its licensed distribution network. Inclusion in a register provides an audit trail of agreed connections. It is accepted that not all historic connections will be recorded by the licensed distributor, yet recent and new connections should be known. Keeping this information on the industry registration system will enable access and updates as historic connections become identified.

5.3 Balancing and Settlement Code (BSC)

The BSC⁴ has a definition of an Associated Distribution System, which is a pseudonym for a LEN. This has existed since the creation of the BSC and was to cover the block of flats scenario where the landlord is operating as a LEN.

"Associated Distribution System": means, in relation to a Licensed Distribution System Operator (or SMRA, as the case may be), a Distribution System:

- (i) which is not operated by a Licensed Distribution System Operator; and
- (ii) in respect of which all the entry/exit points are subject to registration in such Licensed Distribution System Operator's (or SMRA's) SMRS pursuant to the provisions of the MRA;

and, for these purposes, 'entry/exit point' means a point at which electricity may flow on to or off such Distribution System other than from or to the Transmission System or another Distribution System;

The definition requires all entry/exit points to be registered by the registration system. What is unclear is who and how the compliance is assured. See 5.8 below

5.4 BSC – Issue 72

[BSC Issue 72](#) considered the responsibilities for commissioning of Measurement Transformers on a LEN. Part of the difficulty is knowing what is, and is not, a LEN connection. The Issue group also started to consider the some of the other concerns, such as the assurance that all entry/exit points on a LEN are included in settlement. It is not clear whether the BSC or MRA requires assurance by the registration service that all entry/exit points are registered. This would appear to be a gap in governance.

When an exit/entry point is correctly registered then the BSC places obligations on the BSC Parties to ensure it is metered correctly.

⁴ www.elexon.co.uk/bsc-and-codes/balancing-settlement-code/

The Electricity Act states: <http://www.legislation.gov.uk/ukpga/1989/29/schedule/7>

Consumption to be ascertained by appropriate meter

- 1 (1) Where a customer of an **[F1 authorised supplier]** is to be charged for his supply wholly or partly by reference to the quantity of electricity supplied, the supply shall be given through, and the quantity of electricity shall be ascertained by, an appropriate meter.
- [F2 (1A)]** An authorised supplier may give a supply otherwise than through an appropriate meter in such circumstances as may be prescribed.]
- [F3 (2)]** If the **[F1 authorised supplier]** agrees, the meter may be provided by the customer **[F4 (who may provide a meter which belongs to him or is made available otherwise than in pursuance of arrangements made by the supplier)]**; but otherwise it shall be provided by the **[F1 authorised supplier]** **[F5 (who may provide a meter which belongs to him or to any person other than the customer)]**.
- (2A) **[F6 An authorised supplier]** may refuse to allow one of his customers to provide a meter only if there are reasonable grounds for his refusal.]
- (3) The meter shall be installed on the customer's premises in a position determined by the **[F1 authorised supplier]**, unless in all the circumstances it is more reasonable to place it outside those premises or in some other position.
- (4) The **[F1 authorised supplier]** may require the replacement of any meter provided and installed in accordance with sub-paragraphs (2) and (3) above where its replacement—
- (a) is necessary to secure compliance with this Schedule or any regulations made under it, or
 - (b) is otherwise reasonable in all the circumstances;
- and any replacement meter shall be provided and installed in accordance with those sub-paragraphs.
- (5) If the customer refuses or fails to take his supply through an appropriate meter provided and installed in accordance with sub-paragraphs (2) and (3) above, the supplier may refuse to give or may discontinue the supply.
- (6) For the purposes of this paragraph a meter is an appropriate meter for use in connection with any particular supply if it is of a pattern or construction which, having regard to the terms on which the supply is to be charged for, is particularly suitable for such use.
- [F7 (7)]** In relation to a dispute arising under this paragraph between an electricity supplier and a customer, section 23 of this Act

So, para 1 says consumption shall be through an appropriate meter. Para 6 then requires the meter to be of the correct type for the type of consumption – credit, prepayment, measurement transformers, Advanced, etc. Para 5 then says if the customer refuses to install appropriate metering, then the Supplier may discontinue the supply.

This is covered in the [BSC section L](#) as an obligation on the Registrant (Supplier) typically discharged to the Meter Operator to install and maintain appropriate metering. The BSC goes into further detail about appropriate metering, with any detail around measurement transformers, fusing, test terminal block, accuracy, etc.

So, under the BSC if the Supplier fails to ensure that a registered customer has appropriate metering then the connection can be de-energised (same as discontinue the supply). This is an obligation which is generally reflected in the Suppliers own terms and conditions with their customer. Although it is still not clear how the de-energisation can be confidently achieved on a LEN that is not subject to any governance framework, including not being a signatory to the BSC, MRA or DCUSA.

5.5 Master Registration Agreement (MRA)

The [MRA](#) sets out the rules associated with the electricity Supplier registration process. It defines how MPANs are allocated through its definition of an Metering Point:

“Metering Point” means the point, determined according to the principles and guidance given at Schedule 8, at which a supply to (export) or from (import) a Distribution System and/or Transmission System:

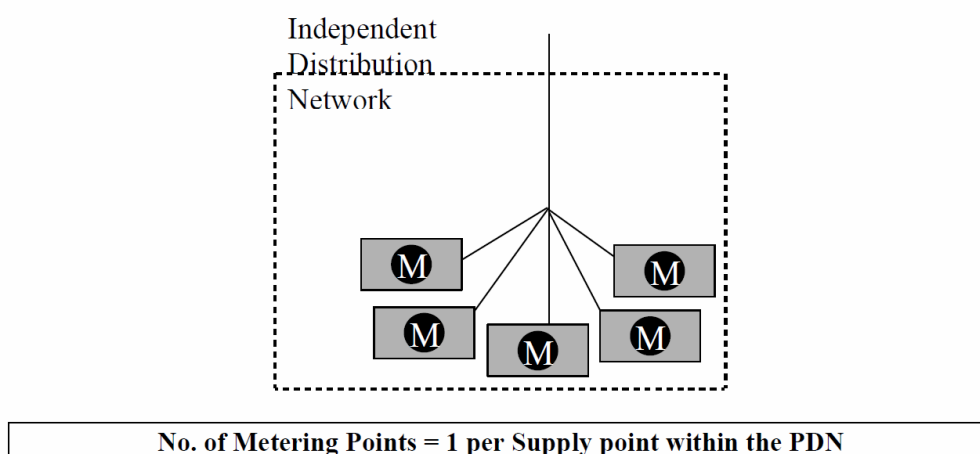
- (a) is or is intended to be measured; or
- (b) where metering equipment has been removed, was or was intended to be measured; or

(c) in the case of an Unmetered Supply under the Unmetered Supplies Procedure, is deemed to be measured,

where in each case such measurement is for the purposes of ascertaining the Supplier's Settlement liabilities under the Balancing and Settlement Code;

and Schedule 8 which includes this illustration of a Private Distribution Network (PDN), another pseudonym for a LEN:

- b) every supply point (or UMS Certificate) within the PDN will be defined to be a Metering Point



The above definitions align with the BSC definitions of an Associated Distribution System.

5.6 MOCOPA

[MOCOPA](#) is a multi-party agreement between Licensed Distributors and Meter Operators. It sets out the safe and procedural issues for working on the Licensed Distributors network equipment and metering equipment. As LENs are not licensed Distributors MOCOPA scope does not include LENs as signatories. In principle, Meter Operators (or Suppliers) should seek permission prior to working on any LEN distribution equipment. Currently, the Meter Operator has no information to know whether the connection is a licenced network connection or a LEN connection.

Where Meter Operators identify a concern with the distributor's connection equipment (e.g. cut-out) they need to contact the distributor. Typically, this is a Licensed Distributor, but at times (see examples in 3) the report is rejected by the licensed distributor as the connection equipment is deemed to be via a LEN. Clear identification of the correct distributor should result in reduced administration and quicker resolution for safety related issues which would negatively impact electricity consumers.

After MOCOPA transitions into the Retail Energy Code, it may be possible to widen the scope to include unlicensed distribution network operators.

5.7 Distribution Connection and Use of System Agreement (DCUSA)

[DCUSA](#) has debated a number of times the Distribution Use of System (DUoS) charging of customers connected to LENs. These customers currently incur the same DUoS charges as customers connected directly to the Licensed Distributors network. DCUSA [Change Proposal DCP328](#) - Use of system charging for private networks with competition in supply, is the latest proposal to consider the fairness of the current charges. For the example described in 3.2, the licensed distributor will charge for six connections (six standing charges), even though they have only provided a single connection. They also have no obligation for any equipment repair or guaranteed standard payments for any faults beyond their cut-out.

Over the years, other proposals have run into difficulty in not knowing who/where/how many LENs exist. Ofgem's recent review of the Distribution charges is seeking DCP328 to address the inconsistencies of LEN charges.

5.8 Governance to ensure all exit points are registered

The BSC (see 5.3) & MRA (see 5.5) put obligations, such as the definition of Associated Distribution System on the licensed distributor. So, if the licensed distributor identifies a connection to a LEN which has some unregistered entry/exit points, it can no longer be treated as an Associated Distribution System. This should either lead to:

- the unregistered MPANs becoming registered so it returns to a compliant Associated Distribution System, or
- metering at the DNO/LEN boundary connection point and the LEN becomes a single customer, any existing embedded MPANs become redundant and disconnected with the BSC arrangements, or
- metering at the boundary connection point and treat the embedded customers with MPANs as a difference arrangement, which would require half hourly meters, the same MO & HHDC, etc.

The BSC or MRA are not explicit about enforcement or policing to ensure that all exit/entry points are correctly registered. There is no evidence of any requirements in place to audit these aspects.

In the examples in section 3 there it is clearly very easy for an electrical contractor to add another outgoing way without ensuring it is registered or settlement metering is fitted. This is a risk to energy missing from settlement and reduced DUoS revenue.

If the upstream licensed Distributor identified the absence of registration, they would potentially have the ability to disconnect the LEN network if there was not correction under licensed Distribution Standard Licence Conditions⁵ 49.6-49.8.

The licenced Distributor Standard Licence Conditions include a definition of Relevant Theft. The relevant section is (c) below as they are unregistered. The definition is not constrained to registered or connected to their distribution system. The licensed distributor upstream of any LEN is still concerned about any downstream unregistered premises because it will impact their DUoS units (losses and revenue). Clause 49.6 then requires the licensed distributor to take reasonable steps to prevent theft from its distribution system, on one reading you could regard that as not applying in this case, but I would argue that it does as the LEN is connected to the licensed distributors network but is not being paid for as the LEN has unregistered entry/exit points. All licensed Distributors publish a scheme in respect of unauthorised electricity supplies ([ENWL](#) as an example).

www.legislation.gov.uk/ukpga/1989/29/schedule/6 para 4 is reflected in the Distribution Licence below. The schedule also gives the Distributor (or supplier depending on circumstances) the rights of access to disconnect.

⁵ www.ofgem.gov.uk/licences-industry-codes-and-standards/licences/licence-conditions

Relevant Theft of Electricity	means the abstraction of electricity in circumstances where: (a) any person takes a supply of electricity that is in the course of being conveyed by the licensee; or (b) any person at premises at which a connection has been restored in contravention of paragraph 5(1) of Schedule 6 to the Act takes a supply of electricity that has been conveyed to those premises by the licensee, and the supply is taken otherwise than in pursuance of: (i) a contract made with an Electricity Supplier, or (ii) a contract deemed to have been made with an Electricity Supplier by virtue of paragraph 3 of Schedule 6 to the Act or paragraph 23 of Schedule 7 to the Utilities Act 2000; or (c) any person takes a supply of electricity at premises which have never been registered with an Electricity Supplier.
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- 49.1 This condition requires the licensee to ensure that Distribution Losses from its Distribution System are as low as reasonably practicable, and to maintain and act in accordance with its Distribution Losses Strategy.

Part C: Electricity losses related to the Relevant Theft of Electricity from the Distribution System

- 49.6 Notwithstanding the generality of paragraph 49.1, the licensee must undertake all reasonable cost-effective steps within its power to resolve any cases of Relevant Theft of Electricity from its Distribution System.
- 49.7 Where the licensee in compliance with paragraph 49.6 has a right to recover the value of the electricity taken in that case, it must seek to recover the value of the electricity so taken from the person who has taken the electricity, provided that the costs incurred in so doing are not likely to exceed the value of the sums that may reasonably be expected to be recovered.
- 49.8 Where the licensee exercises any right that it has to recover the value of electricity taken in a case of Relevant Theft of Electricity from its Distribution System, it must also seek to recover any of its costs associated with:
- (a) the disconnection of the premises;
 - (b) making good any damage to the licensee's Distribution System;
 - (c) the investigation of the particular case; and
 - (d) pursuing any action in the particular case to recover any sums that may be due,
- provided that the costs incurred in so doing are not likely to exceed the value of the sums that may reasonably be expected to be recovered.

The concerns highlighted in this section were raised at a meeting of the DCUSA led [Theft Risk Assessment Service Issue group](#) in May 2019 there was confirmation that examples had been identified of multiple illegal connections on these types of premises. The theft from illegal connections is regarded as theft in transit and was pursued under the activity to investigate and reduce theft.

The BSC, MRA and DCUSA are all unclear about the who and how the Associated Distribution system is 'policed' to ensure that all the exit/entry points are correctly registered. This is a clear weakness of the ever increasing numbers of LEN arrangements.

5.9 Distribution Code – G87 – Guidelines for the provision of Low Voltage Connections to Multiple Occupancy Buildings

[Engineering Recommendation G87](#) – Guidelines for the Provision of Low Voltage Connections to Multiple Occupancy Building - was first published in 2010. Since then many new LEN arrangements have been created. This document uses the term Building Network Operator (BNO), which is another pseudonym of a LEN.

Since 2010 the proportion of new connections which rely on a LEN has increased. This has reduced the costs of connections for licensed Distributors but has added to the costs of electrical contractor. It is not clear whether these changes in costs have been considered and/or reflected in the Distribution Price Review.

5.10 Guaranteed Standard payments

Various customer protections have been put in place for customers connected to licensed Distribution customers. These do not apply to unlicensed distributors. Of particular relevance is the SLA and associated payments for power cuts, restoration of supplies, replacement of the cut-out fuse, attendance at faults or dangerous situations. Details are included in [Ofgem guidance](#) for customers connected to licensed Distributors, but there is no customer protection for license exempt distribution networks.

5.11 LEN which should be Licensed

Anecdotal evidence suggests that many large domestic landlords may be exceeding the threshold and should be licenced. There is ambiguity about whether this threshold exists for a single premise or across a series of premises. A registration system to identify the MPANs which are connected to a LEN would enable enforcement of the thresholds going forward. The SI is currently defined in terms of demand, this will be easier to determine under the Ofgem [Market-wide Half Hourly Settlement](#) arrangements. Alternatively, it may be opportune to revise the definition to a number of domestic customers.

6 **Issue for further consideration**

It is recommended that the following issues are further considered by a cross code industry group with Ofgem and/or BEIS participation.

6.1 Identification of LENs

Each LEN connection should have had approval from the licensed Distributor. In reality these may not be readily identified. More recent connections may have accessible records, connections from 50 years ago may not be immediately known. If a LEN indicator existed, then over time the information could be updated as and when new sites are connected or historic sites identified. DCUSA Change Proposal DCP328 (see 5.7) is proposing that the larger LEN approach the licensed Distributor for a DUoS rebate, this has the advantage that the identity of the LEN will become known.

Each MPAN for metering equipment that is not connected directly to a licenced Distribution network is a LEN. A flag in MPRS should be set for this. The owner of this data item is the licensed Distributor, as they have agreed to the connection and agreed to create the MPAN in the registration system which is not as the result of a direct connection to their licensed Distribution network.

6.2 Identification of LEN operator

The trigger for the debate in the FSEG has been the inclusion of a LEN Indicator following the requirement of the faster switching development. In previous discussions it has been suggested that the licensed

Distributor should also maintain a register of details about the LEN, such as company name, operational contact details, etc.

Where there are identified concerns such as faults and/or seeking permission to work by the licensed Distributor or other parties such as Meter Operators having contact details enables prompt contact to enable fault repair.

Failure of prompt communication directly impacts on customers, some of which will be vulnerable customers. An example is where a meter operator works on the metering in a flat and identifies a fault or dangerous situation with the cable entering the flat. Where possible it might be possible to isolate to make safe. But then the LEN needs to be contacted to effect repairs and re-establish power to the customer. A Meter Operator has described a scenario where it took several days to track down the landlord of the building, then convince them they were responsible prior to the landlord effecting repairs. The customer was without power for the best part of a week.

It should be noted that a tenant of a flat is typically the customer of the energy supplier and the point of contact for the meter operator. The tenant's communication is often with a letting agent. The letting agent has contact with the flat owner. The flat owner probably has some contact with the building managing agent. The managing agent has some contact with the landlord who is typically the LEN. But this chain is long and complex.

6.3 Policing of all exit/entry points being registered

The increase in recent years of LEN in multi-occupancy building has increase the opportunity for intended or unintended exit points to be connected without successfully creating a registered and energised MPAN to ensure the energy is settled. The Theft Issues group has confirmed this is a recognised theft in transit concern.

This document has been prepared by the author to aid discussion surrounding Licence Exempt Distribution Networks (LENs). It does not claim to be a comprehensive legal interpretation of all the legislation.

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