

Donna M Townsend
Business Operations Manager
ESP Electricity Limited

3 June 2016

Dear Donna,

Further to our meeting today, I am writing to confirm ELEXON's view on your proposed tri-partite approach to combining Licensed Distribution System Operator (LDSO) unmetered supplies (UMS) inventories, and its interaction with the obligations on LDSOs contained in the Balancing and Settlement Code (BSC).

As noted at our meeting we note that there is no impact on the Settlement calculations provided the UMS are within the same Grid Supply Point Group (GSPG) and have the same Supplier for the customer for whom UMS inventories are to be combined.

With regard to the BSC obligations we have reviewed the obligations on LDSOs set out in [Section S](#) paragraph 8.2 'Licensed Distribution System Operators and Unmetered Supplies' of the BSC.

ELEXON's General Counsel has confirmed that he believes the arrangement is consistent with the BSC in that although the Independent Network Operator (IDNO) will de-register or de-energise their Metering System Identifier (MSID also known as Metering Point Administration Number (MPAN)), there will still be an MPAN associated with the Unmetered Supply Certificate as required by the Code.

However, as noted at the meeting, if a BSC party does believe there is a defect in the BSC or thinks another consequential change such as a Change Proposal is required then it is within their gift to submit the change for consideration.

Yours sincerely,

Kevin Spencer
Market Advisor