

**Code Subsidiary Document  
No. 0001:**

**Market Entry Assurance and  
Market Re-assurance**

## Change History

Version Number	Date of Issue	Reason For Change	Change Control Reference	Sections Affected
<u>V2.0</u>	<u>12<sup>th</sup> March 2018</u>	<u>Market Entry and Re-assurance</u>	<u>CPW023</u>	<u>Sections 1-5</u>

## Table of Contents

2.	Purpose and scope .....	8
1.1	Purpose .....	8
1.2	Scope .....	8
1.3	Overall market entry – overview .....	8
1.4	Market Entry Assurance – overview .....	9
1.5	Market Re-assurance - overview .....	10
1.6	Role and functions of the Market Operator .....	11
1.7	Supporting documents and services provided by the Market Operator .....	12
2.	Overall market entry process .....	14
2.1	Satisfaction of the Trading Conditions - overview .....	14
2.2	Retail entry – overall process description .....	14
2.3	New Appointee entry – overall process description .....	19
2.4	Overall market entry - process diagram .....	21
3.	Market Entry Assurance and Market Re-assurance methods .....	25
3.1	Introduction .....	25
3.2	Applicant Information Return .....	25
3.3	Market Re-assurance Information Return .....	28
3.4	Market and Interface Training .....	31
3.5	Self-certification Declaration .....	33
3.6	Security Return .....	34
3.7	Business Solution Assessment .....	35
3.8	Market Entry Assurance and Market Re-assurance Testing .....	36
4.	Market Entry Assurance process .....	41
4.1	Process description .....	41
4.2	Authority directions .....	52
4.3	Applicant obligations in support of the Market Entry Assurance process .....	52
5.	Market Re-assurance process .....	54
5.1	Triggers for Market Re-assurance .....	54
5.2	Material change guidance .....	54
5.3	Process description .....	57
5.4	Trading Party obligations in support of the Market Re-assurance process .....	67
5.5	Authority directions .....	69

## Definitions

Unless expressly stated otherwise, for the purposes of this CSD:

- (a) terms defined in the Wholesale-Retail Code Part 1 (Objectives, Principles and Definitions) shall apply; and
- (b) capitalised terms relating to the titles of Data Items or Data Transactions described in CSD 0301 (Data Catalogue) shall have the meaning attributed therein.

For the purposes of this CSD only, the following capitalised terms shall have the following meaning:

Definitions	
Term	Definition
"Applicant"	an organisation that is seeking to become a Trading Party but which has not yet satisfied all of the Trading Conditions;
"Applicant Information Return"	a document maintained and issued by the Market Operator as approved by the Panel from time to time and which an Applicant is required to complete as part of the Market Entry Assurance process;
"Business Solution Assessment"	<del>a document maintained and issued by the Market Operator as approved by the Panel from time to time, and which an Applicant is required to complete as part of the enhanced Market Entry Assurance process, and which provides assurance that the capabilities an Applicant intends to implement to use in the market will fulfil the Applicant's market obligations. It may also be completed as part of the Market Re-assurance process to provide assurance that the material changes that will be made by a Trading Party to its capability will be able to fulfil its market obligations as exercised by the Market Operator as part of a Market Entry Assurance process or Market Re-assurance process to assess whether an Applicant's or Trading Party's (as applicable) systems and processes shall enable the Applicant or Trading Party to meet its relevant obligations under the Market Terms and CSDs;</del>
<del>"Final Outcome Report"</del>	<del>a report completed by the Market Operator in certain circumstances that details the assurance activities undertaken by an Applicant and confirms that the Applicant has successfully completed these (and has therefore completed the Market Entry Assurance process);</del>

Definitions	
"Interface and Data <del>Transfer</del> <u>Transaction</u> Testing"	tests carried out as part of a Market Entry Assurance process or Market Re-assurance process in order to assure that an Applicant or Trading Party (as applicable) has the capability to send and receive Data Transactions to and from the Central Systems;
"Market and Interface Training"	training provided by the Market Operator to an Applicant or Trading Party (as applicable) as part of a Market Entry Assurance process or Market Re-assurance process;
" <u>Market Entry Assurance Certification</u> "	<u>confirmation from the Market Operator that an Applicant has completed Market Entry Assurance and issuance of a certificate stating the same;</u>
"Market Entry Assurance Plan"	a document agreed between the Market Operator and an Applicant which describes <del>the scope and the</del> timetable of activities that will be followed to undertake a Market Entry Assurance process in respect of that Applicant;
"Market Entry Assurance Testing"	Interface and Data <del>Transfer</del> <u>Transaction</u> Testing and/or Market Scenario Testing <del>as the context requires</del> to be carried out by the Market Operator and an Applicant as part of a Market Entry Assurance process;
Market Re-assurance Information Return"	a document developed and maintained by the Market Operator in a form approved by the Panel from time to time and which a Trading Party is required to complete as part of the Market Re-assurance process;
" <del>Market Re-assurance Outcome Report</del> "	<del>a report completed by the Market Operator in certain circumstances that details the assurance activities undertaken by a Trading Party and confirms that the Trading Party has successfully completed these and has therefore completed the Market Re-assurance process;</del>
"Market Re-assurance Plan"	a document agreed between the Market Operator and a Trading Party and which describes the <del>scope and</del> timetable of activities that will be followed to undertake a Market Re-assurance process in respect of that Trading Party;
"Market Re-assurance Testing"	Interface and Data <del>Transfer</del> <u>Transaction</u> Testing and/or Market Scenario Testing as the context requires to be carried out by the Market Operator and a Trading Party as part of a Market Re-assurance process;

Definitions	
"Market Scenario Testing"	tests carried out as part of a Market Entry Assurance process or Market Re-assurance process to assure that an Applicant or Trading Party is able to carry out key scenarios that it will typically encounter using its systems, business processes and operational staff within normal, operational conditions;
<del>"Market Scenario Testing Approach"</del>	<del>a document developed and maintained by the Market Operator in a form approved by the Panel from time to time and which details the way in which Market Scenario Testing shall be carried out;</del>
"Security Return"	a document maintained and issued by the Market Operator as approved by the Panel from time to time and which an Applicant is required to complete as part of the Market Entry Assurance process <u>or Market Re-assurance process</u> to detail its approach to ensure secure use of the various transactional interfaces with the Market Operator's systems;
"Self-Certification Declaration"	a document developed and maintained by the Market Operator as approved by the Panel from time to time and which an Applicant is required to complete as part of the <u>self-certification Market Entry Assurance process</u> <del>in certain circumstances</del> in order to certify its own readiness to participate in the market, <u>or as part of a self-certification Market Re-assurance process to provide assurance that changes to be made to a Trading Party's capability are able to uphold its market obligations;</u>
<del>"Systems Declaration"</del>	<del>a document developed and maintained by the Market Operator as approved by the Panel from time to time and which an Applicant or Trading Party (as applicable) may be required to complete as part of the Enhanced Market Entry Assurance or Market Re-assurance process;</del>
<del>"Test Script Pro-forma"</del>	<del>a document developed and maintained by the Market Operator as approved by the Panel from time to time and which an Applicant is required to complete to detail the test steps to be undertaken in Market Entry Assurance and/or Re-assurance Testing;</del>
<del>"Testing Plan Pro-forma"</del>	<del>a document developed and maintained by the Market Operator as approved by the Panel from time to time and which details the approach for Interface and Data Transaction Testing and Market Scenario Testing;</del>

<b>Definitions</b>	
“Testing Outcome Report”	a report completed by the Market Operator to detail the outcome of Market Entry Assurance Testing or Market Re-assurance Testing (as applicable) as part of a Market Entry Assurance process or Market Re-assurance process; and
“Testing Start Date”	the date agreed by the Market Operator and an Applicant or Trading Party (as applicable) on which Market Entry Assurance Testing or Market Re-assurance Testing shall commence.

## 2. Purpose and scope

### 1.1 Purpose

1.1.1 This document describes the overall market entry, Market Entry Assurance and Market Re-assurance processes.

### 1.2 Scope

1.2.1 The processes set out in this CSD:

- (a) describe the administrative process to be followed for an organisation to apply to become a Trading Party, to accede to the relevant legal documents and to commence trading upon satisfaction of the Trading Conditions;
- (b) provide an appropriate level of assurance that an Applicant's systems and processes (and those of any sub-contractor as relevant) are capable of meeting all required standards;
- (c) ensure that Trading Parties have the ongoing capability to comply with all relevant requirements set out in the Market Terms and CSDs; and
- (d) mitigate the risk that the actions of a Trading Party will lead to a failure of market processes.

The purpose and scope of each process is described at a high level below. The full detail of each process is then set out in later sections of this CSD.

### 1.3 Overall market entry – overview

1.3.1 Section 2 of this CSD describes the overall market entry process that an Applicant must follow in order to become a Trading Party and be entitled to participate in the market. This includes a description of the steps required to satisfy the Trading Conditions. The steps described include interdependent processes under which an Applicant is granted an Appointment or Licence; completes the Market Entry Assurance process (see Section 4 of this CSD); enters into a Wholesale Contract in respect of one (1) or more Areas; and is granted admission as a party to the Market Arrangements Code and as a member of the Market Operator.



## 1.4 Market Entry Assurance – overview

- 1.4.1 Section 4 of this CSD details the Market Entry Assurance process which must be completed by any organisation that is seeking to become a Trading Party (referred to for these purposes as an “Applicant” throughout this CSD) as a precondition of satisfying the Trading Conditions.
- 1.4.2 The purpose of this process is to provide an appropriate level of assurance that an Applicant is able to operate in accordance with the requirements of the Market Terms and CSDs prior to commencing live operational use of the Central Systems and related market processes.
- 1.4.3 Market Entry Assurance may include some or all of the following elements:
- (a) Training for an Applicant to support its preparations for, and completion of, the Market Entry Assurance process and its ongoing market operations;
  - (b) Activities to assess whether the Applicant’s business solution will address all applicable market requirements; appropriate processes are in place for control and change management; and plans are in place for completion of relevant market entry tests;
  - (c) Testing, comprising “Interface and Data ~~Transfer Transaction~~ Testing” and “Market Scenario Testing”. These two (2) sets of tests:
    - (i) confirm that the Applicant’s interface(s) with the Market Operator’s systems has been correctly configured and can correctly transmit, receive and validate ~~all~~-relevant market data flows in accordance with relevant standards; and
    - (ii) provide assurance that the Applicant can operate effectively in the live market environment, by successfully completing scenarios with their actual business staff, using their business systems and processes under operational conditions.
- 1.4.4 The scope of Market Entry Assurance to be applied to an Applicant will depend on the individual circumstances of that party (such as the nature of its business solution, scale of operations and the interfaces to the Central Systems that the party intends to use). The process set out in this CSD includes the development

~~and approval~~ of a Market Entry Assurance Plan by the Applicant that is appropriately tailored to the Applicant's ~~these~~ individual circumstances. The process also includes governance controls to ensure that each assurance process is adequate and proportionate and that every party that is subject to Market Entry Assurance is treated fairly and in a manner that is objective and transparent.

- 1.4.5 All decisions of the Market Operator in relation to the ~~m~~Market ~~e~~Entry process may only be based on an objective assessment of evidence gathered and fully documented during the process.

## 1.5 Market Re-assurance - overview

- 1.5.1 Section ~~54~~ of this CSD details the Market Re-assurance process that a Trading Party may be required to complete in order to assure that its continued operation is in accordance with the requirements of the Market Terms and CSDs. A Trading Party will be required to complete Market Re-~~a~~Assurance where either:

- (a) there is deemed to be a material change to the Trading Party's operations that may impact its ongoing ability to meet the relevant market requirements. Guidance as to what could constitute a material change for these purposes is included in this CSD; or
- (b) the Trading Party is required to undertake Market Re-assurance as a requirement of a Performance Rectification Plan established in accordance with CSD 0002 (Market Performance Framework).

- 1.5.2 Some examples of a relevant material change may include where a Trading Party intends to ~~extend the Areas in which it trades~~increase its use of the Transactional Interface for Trading Parties having a high volume of Data Transactions, to undertake a new Service Category, or where it intends to take on a significant number of~~has taken on new -additional~~ customers ~~as a result of an exit under the Exit Regulations~~.

- 1.5.3 Assessment of a Trading Party under the Market Re-assurance process may comprise some or all of the assurance methods used under Market Entry Assurance (and described in Section 3 of this CSD). The scope of each Market Re-assurance exercise will depend on the individual circumstances which have led to its initiation (such as the nature of the material change or performance issue

and the scope of the market processes that will be used by the Trading Party). The scope of each Market Re-assurance exercise will be specified by the Market Operator ~~prior to commencement of the activity~~ in each case. However, in order to provide a level of certainty to Trading Parties, this CSD includes guidance as to the scope of Re-assurance assessment and testing that the Trading Party ~~Market Operator~~ is likely to specify/undergo in a range of scenarios.

- 1.5.4 All decisions of the Market Operator in relation to the Market Re-assurance process may only be based on an objective assessment of evidence gathered and fully documented during the process.

## 1.6 Role and functions of the Market Operator

- 1.6.1 The Market Operator shall be obliged to perform the Market Entry Assurance and Market Re-assurance functions assigned to it in this CSD and to provide and/or procure such resources required to discharge these functions. In exercising its powers and functions under this CSD, the Market Operator shall at all times:

- (a) act impartially with respect to all Applicants/Trading Parties and ensure that there is no discrimination between different Applicants/Trading Parties or classes of Applicant/Trading Party;
- (b) ensure that its Market Entry Assurance and Market Re-assurance activities are risk-based and proportionate;
- (c) provide transparency to the Panel of its work in implementing these processes through regular reporting; and
- (d) maintain full and accurate records and evidence of all meetings, correspondence, assurance activities and outcomes relevant to the processes described in this CSD.

- 1.6.2 Applicants and Trading Parties requiring Market Entry Assurance or Market Re-assurance will be treated on a first-come, first-served basis. While the Market Operator shall use reasonable endeavours to plan and carry out the activities in line with the party's preferred timescales, the availability of the Market Operator's resources to achieve this may not be guaranteed.

1.6.3 The Market Operator shall use reasonable endeavours to support multiple Applicants concurrently by deploying its resources to best effect.

## 1.7 Supporting documents and services provided by the Market Operator

1.7.1 The Market Operator shall be responsible for developing and maintaining a number of documents necessary to support the processes described in this CSD. These supporting documents are described and referenced at relevant points throughout this CSD. The supporting documents are:

- (a) Trading Application;
- ~~(b) Accession Agreement (in respect of the Market Arrangements Code);~~
- ~~(c) Applicant information pack;~~
- ~~(d)(b) Applicant Information Return and guidance notes for completion;~~
- ~~(e)(c) Market Re-assurance Information Return and guidance notes for completion;~~
- ~~(f)(d) Self-Certification form; Declaration and guidance notes for completion;~~
- ~~(g)(e) Security Return form;~~
- ~~(h)(f) Business Solution Assessment and guidance notes for completion; Interface and Data Transaction Testing approach document;~~
- ~~(i)(g) Testing Plan Pro-forma and guidance notes for completion; Market and Interface Training request form;~~
- ~~(j)(h) Test Script Pro-forma; Market Scenario Testing Approach document; and~~
- ~~(k)(i) Systems Declaration; Storyboards for use in Market Scenario Testing.~~

1.7.2 The Market Operator shall seek Panel approval of the initial version and all subsequent versions of the supporting documents set out in section 1.7.1 of this CSD.

- 1.7.3 The Market Operator shall publish the current version of each of the supporting documents listed above on its website.
- 1.7.4 The Market Operator shall develop and maintain one (1) or more test environments to support the testing activities described in this CSD. The Market Operator's central test capability shall simulate all flows that would normally be received by the Trading Party. This will include simulation of flows, as required, from the Market Operator, a Retailer, an Other Retailer, a Wholesaler and an Other Wholesaler, as applicable.

## 2. Overall market entry process

### 2.1 Satisfaction of the Trading Conditions - overview

2.1.1 A Wholesaler or a Retailer must satisfy the applicable Trading Conditions in order to become a Trading Party and be entitled to ~~actively~~ participate in the market. For example, a Retailer shall not be able to register any Supply Points until it has satisfied the Trading Conditions.

2.1.2 The Trading Conditions are that the Wholesaler or Retailer, as appropriate:

- (a) has applied to be admitted to trading by completing and delivering an accurate Trading Application to the Market Operator;
- (b) holds an Appointment or a Water Supply ~~Licence~~ and/or ~~a~~ Sewerage Licence;
- (c) has completed the Market Entry Assurance process;
- (d) in the case of a Retailer only, has entered into a Wholesale Contract(s) in relation to the Area(s) in which it intends to trade;
- (e) has become a member of the Market Operator; and
- (f) has entered into an Accession Agreement to be admitted as a party to the Market Arrangements Code.

### 2.2 Retail entry – overall process description

2.2.1 This section describes the various steps that an Applicant must follow in order to satisfy the Trading Conditions relevant to a Retailer and thereby to become a Trading Party.

#### Step 1: Licence application

2.2.2 The Applicant shall apply to the Authority for a Licence. It should be noted that the Licence application process is a matter for the Authority and is not set out in this CSD.

## Step 2: Submission of Trading Application

2.2.3 The Applicant shall complete the Trading Application and return this to the Market Operator. In so doing the Retailer shall:

- (a) confirm that it has applied for a Licence to the Authority;
- (b) provide all relevant organisation details required by the Trading Application, including the company name, registered number and registered address and the name and contact details of the person(s) that the Market Operator should contact in connection with the Trading Application (where possible this should be the Applicant's proposed Contract Manager);
- (c) confirm that the Applicant:
  - (i) ~~is-will~~ apply~~ing~~ to become a member of the Market Operator;
  - (ii) ~~is-will~~ apply~~ing~~ to become a party to, and therefore accede to, the Market Arrangements Code;
  - (iii) agrees to enter into and complete the Market Entry Assurance process; and
  - (iv) agrees to be bound by the terms of this CSD 0001 (Market Entry Assurance and Market Re-assurance (Enduring Requirements)) in undertaking the Market Entry Assurance process;
- (d) identify the Area(s) in which the Applicant expects to trade upon satisfaction of the Trading Conditions;
- (e) set out the likely timescale for concluding a Wholesale Contract for each Area in which the Applicant expects to trade; and
- (f) enclose such supporting documentation as the Market Operator may reasonably require in order to validate any information in the Trading Application.

2.2.4 The Market Operator shall develop, maintain and publish the Trading Application form and ensure that it provides for submission of all the information set out above.

### Step 3: Market Operator processing and notification of Trading Application

- 2.2.5 Within two (2) Business Days of receipt of a valid Trading Application, the Market Operator shall confirm ~~receipt-acceptance of the Trading Application~~ to the relevant party and send the party ~~relevant information on completing the following stages of the Market Entry Assurance process, an Applicant Information Pack providing guidance on the Market Entry Assurance process and requirements.~~
- 2.2.6 If the Trading Application has not been properly completed or the Market Operator requires any additional information or documentation to validate the Trading Application, then the Market Operator shall respond to the relevant party setting out the reasons why the Trading Application is incomplete and shall invite the party to submit any missing or additional information or documentation.

### Step 4: Authority notification of Trading Application and confirmation of ~~intent to grant Licence~~the Notice of Licence Application

- 2.2.7 Once ~~a the Market Operator has confirmed an Applicant's~~ valid and complete Trading Application has been ~~submitted~~accepted, the Market Operator shall promptly give notice of the ~~receipt-acceptance~~ of the Trading Application to the Authority.
- 2.2.8 At the same time, ~~the Market Operator shall request~~ the Authority will provide the Market Operator with a copy of the notice published by the Authority in regards to the relevant licence application (the Licence Notice). ~~to confirm in writing whether it is minded to grant a Licence to the Retailer subject to the Applicant completing Market Entry Assurance in accordance with this CSD.~~ The Market Operator shall not progress the Market Entry Assurance process until such time as it has received such ~~confirmation-notification~~ from the Authority.

### Step 5: Market Entry Assurance

- 2.2.9 Upon ~~receipt of the written~~ confirmation from the Authority under step 4 above, the Market Entry Assurance process shall progress in accordance with the detailed process described in Section 4 of this CSD.



#### Step 6: Authority notification of outcome of Market Entry Assurance

- 2.2.10 At the end of the Market Entry Assurance process described in Section 4 of this CSD, the Market Operator shall establish whether or not the Applicant has successfully completed Market Entry Assurance.
- 2.2.11 The Market Operator shall notify the Authority promptly of the outcome of the Market Entry Assurance process in respect of the relevant Applicant.

#### Step 7: Grant or refusal of Licence by the Authority

- 2.2.12 The Authority shall either grant a Licence to the Applicant or refuse to grant a Licence to the Applicant. The Market Operator shall ensure that it has arrangements in place to be made aware of any such Authority decision promptly upon any such decision having been made.
- 2.2.13 In the event that the Authority has determined to refuse to grant the Retailer a Licence, the Market Operator shall take no further steps unless and until such time as a further valid Trading Application has been received from the Retailer.

#### Step 8: Accession to the Market Arrangements Code and admission as a member of the Market Operator

- 2.2.14 Promptly upon a Licence having been granted to the Applicant, and any relevant administrative details submitted, the Market Operator shall:
- (a) admit the Applicant as a member of Market Operator and provide a relevant membership certificate to the Applicant; and
  - (b) provide the Applicant with an Accession Agreement in respect of the Market Arrangements Code for the Applicant to execute and return.
- 2.2.15 Upon receipt by the Market Operator of an Accession Agreement duly executed by the Applicant, the Market Operator shall promptly:
- (a) execute such Accession Agreement on behalf of the Market Operator and all parties to the Market Arrangements Code;
  - (b) send a certified copy of such Accession Agreement, duly executed by the Applicant and the Market Operator, to the Applicant and the Authority;

- (c) give notice of the accession of the Applicant to:
  - (i) all Trading Parties; and
  - (ii) the Authority.

#### **Step 9: Entering into the Wholesale Contract**

2.2.16 The Applicant and any relevant Wholesaler shall be entitled to enter into a Wholesale Contract at any point during the overall market entry process. It should be noted that a Wholesale Contract can only take effect between a Wholesaler and a Licensed Retailer. However, this step is not contingent upon the completion of any other step in the process.

2.2.17 Each Wholesaler shall be obliged to keep the Central Systems updated in relation to the Retailers with which it has a valid Wholesale Contract in its Area at any given point in time. Each Wholesaler shall be expected to update this data within two (2) Business Days of the commencement or termination of a Wholesale Contract (in accordance with the relevant termination provisions in relation to the Wholesale Contract). This requirement and process is detailed in CSD 0006 (Trading Party Administration and Notification Processes).

#### **Step 10: Commencement of trading**

2.2.18 Subject to the Applicant having become a Trading Party by fully satisfying the Trading Conditions in respect of one (1) or more Areas, the Market Operator shall:

- (a) provide access to the Central Systems to enable the party to submit necessary data pursuant to CSD 0006 (Trading Party Administration and Notification Processes)<sup>4</sup> and to register Supply Points and execute other associated processes via the Central Systems, as appropriate;
- (b) add the Trading Party to the List of Eligible Retailers by Area maintained under Section 4.2.10 of the Market Terms; and

---

<sup>4</sup> ~~Note that during the Market Entry Assurance process, the Applicant will be able to set up certain standing data (e.g. to establish a Trading Party ID and manage its users) for the purposes of testing, and this data can then be applied by the Trading Party as required to the Central Systems upon successful completion of Market Entry Assurance.~~

- (c) notify the Authority and all other Trading Parties that the Applicant ~~has completed Market Entry Assurance and~~ has satisfied the Trading Conditions.

#### Step 11: (Optional) further assurance of a new Trading Party which does not commence trading

- 2.2.19 If within the later of eighteen (18) Months after the Go Live Date or twelve (12) Months after the date upon which a Trading Party first satisfied all of the Trading Conditions, the Trading Party has not yet registered a Supply Point, the Market Operator shall review with the Trading Party whether there have been any material changes during that period which may require the Trading Party to undertake an appropriately scaled level of Market Re-assurance, in which case this will be planned and undertaken in accordance with the process set out in Section 5 of this CSD.
- 2.2.20 In deciding whether a specific change constitutes a material change for these purposes, the Market Operator shall apply the guidance in the table set out in Section 5.2 of this CSD.

### 2.3 ~~Wholesale~~New Appointee entry – overall process description

- 2.3.1 The process for an Applicant to enter the market in the capacity of a ~~Wholesaler (i.e. a new Undertaker~~ or New Appointee (consisting of a Wholesale and Retail function) shall be substantially the same as the process for Retail entry described above. However, the following differences shall apply:
- (a) all references to Applicant should be interpreted as referring to the ~~new Undertaker or~~ New Appointee ~~as appropriate~~;
  - (b) all references to a Licence being granted should be interpreted as referring to an Appointment or variation under s.7 of the Water Industry Act 1991, granted through the relevant process set out in Section 8 of the Water Industry Act 1991;

(c) all references to the Authority should be interpreted as referring to the Authority under Section 8 of the Water Industry Act 1991;

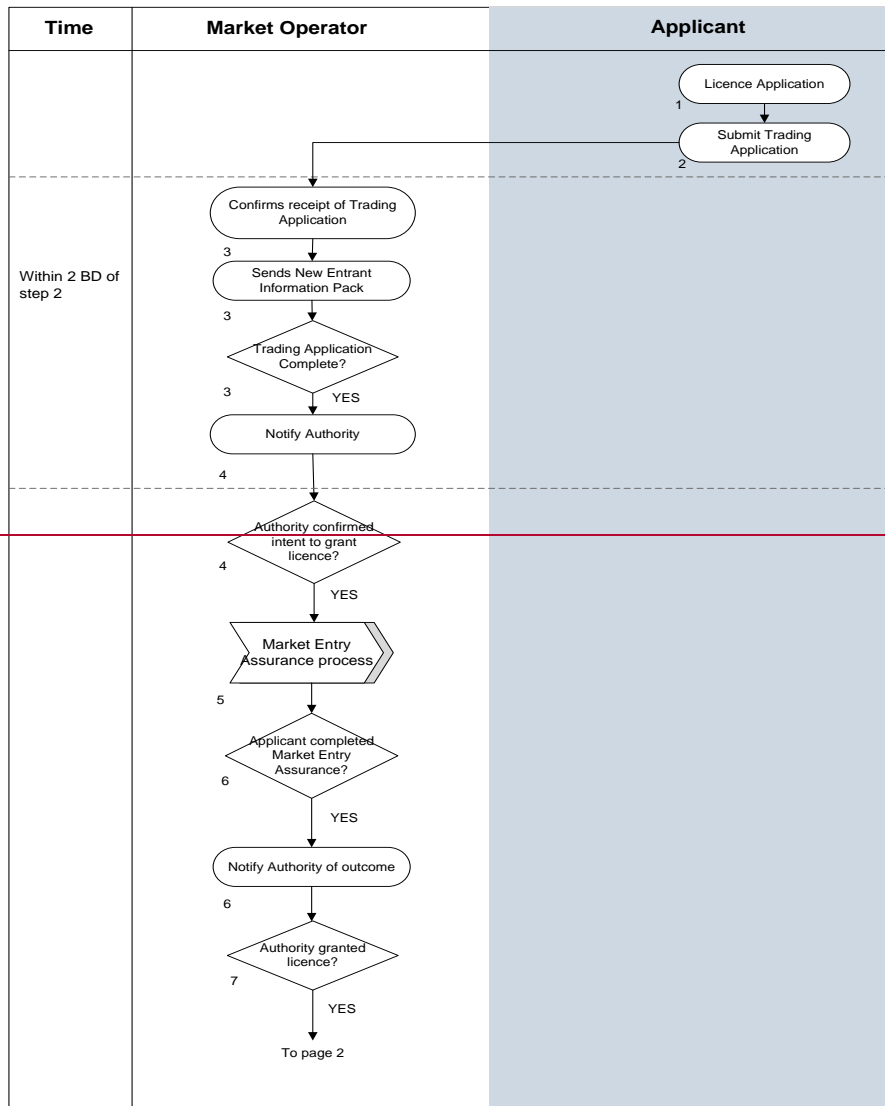
~~(d) the reference to the Licence Notice in step 4 shall be interpreted as a reference to the consultation notice published by the Authority setting out its proposal to grant a new Appointment or variation.~~

~~(d)(e) An New Appointee Applicant ~~Wholesaler~~ shall not be required to provide evidence of having entered into one (1) or more Wholesale Contracts ~~and this shall not be a precondition of it having satisfied the Trading Conditions~~; and~~

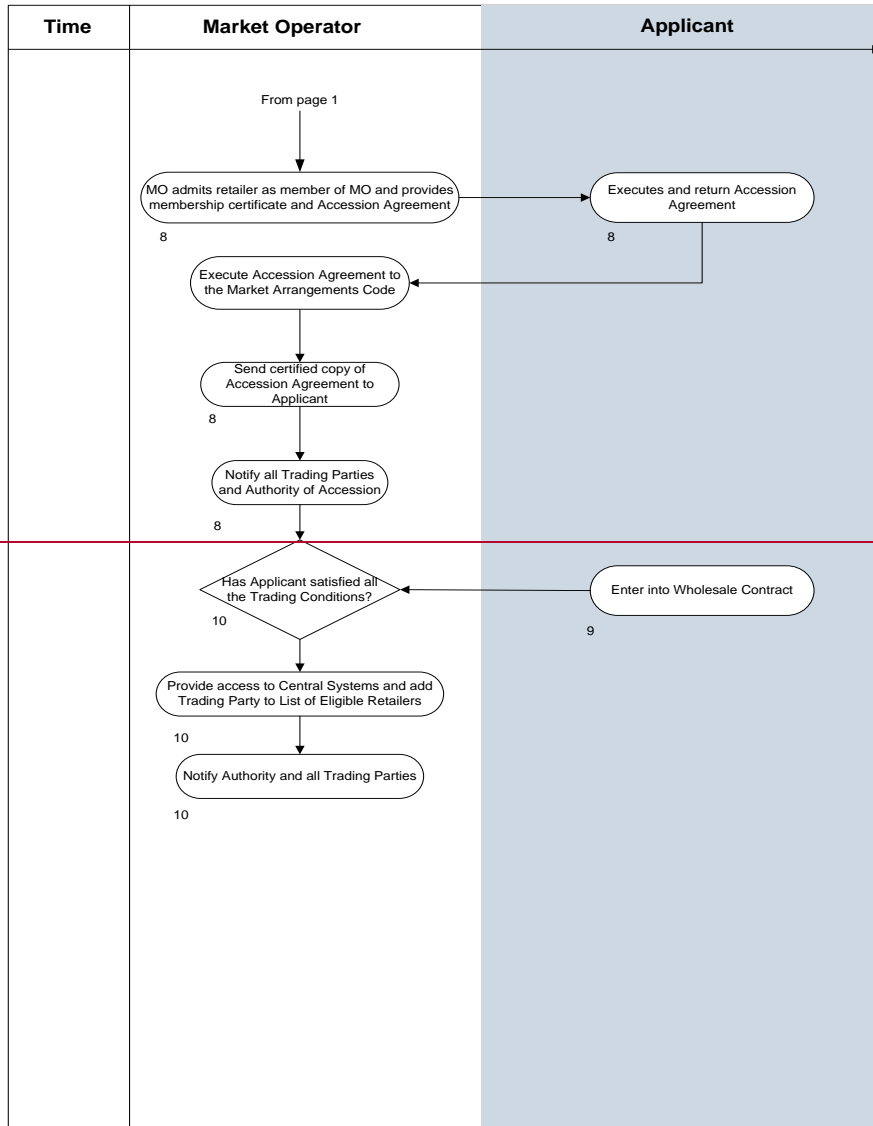
~~(e)(f) the obligation on the Market Operator under step 10 above to add the Applicant to the List of Eligible Retailers by Area shall not apply in respect of a New Appointee Wholesaler.~~

## 2.4 Overall market entry - process diagram

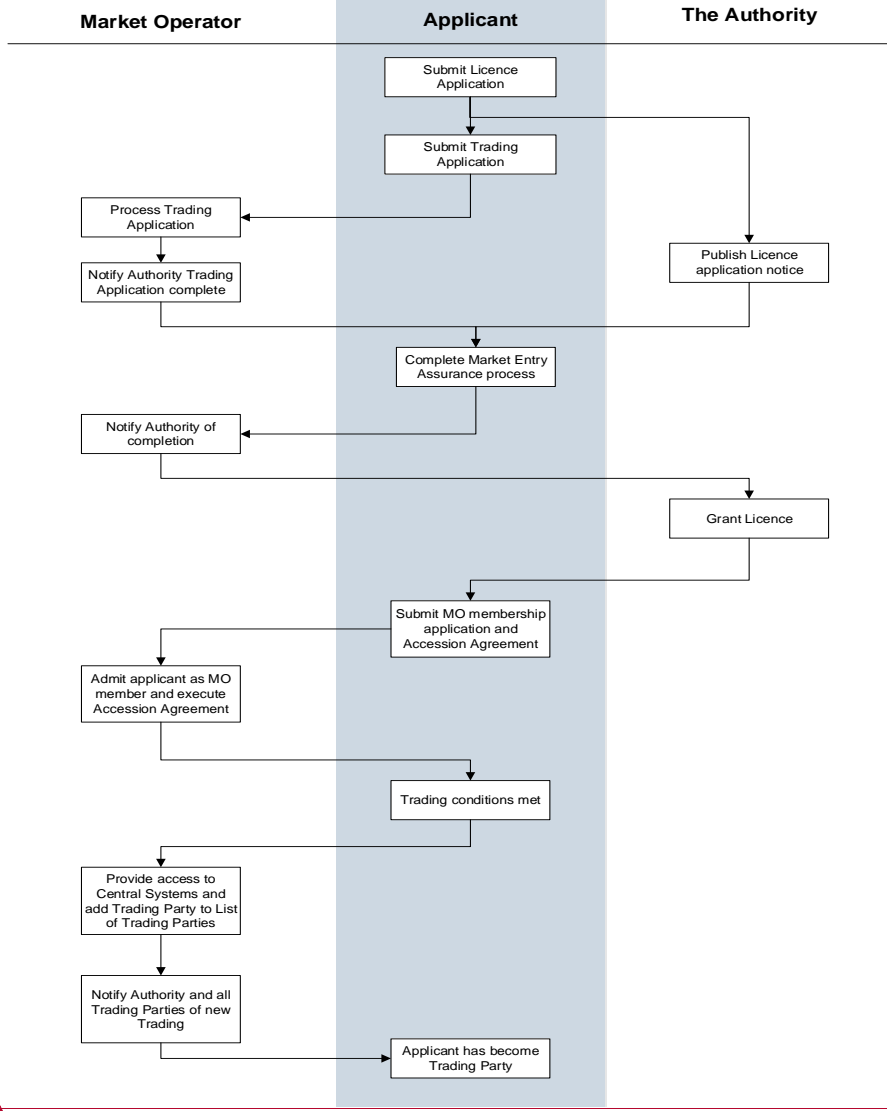
Overall market entry process (page 2/2)



Overall market entry process (page 2/2)

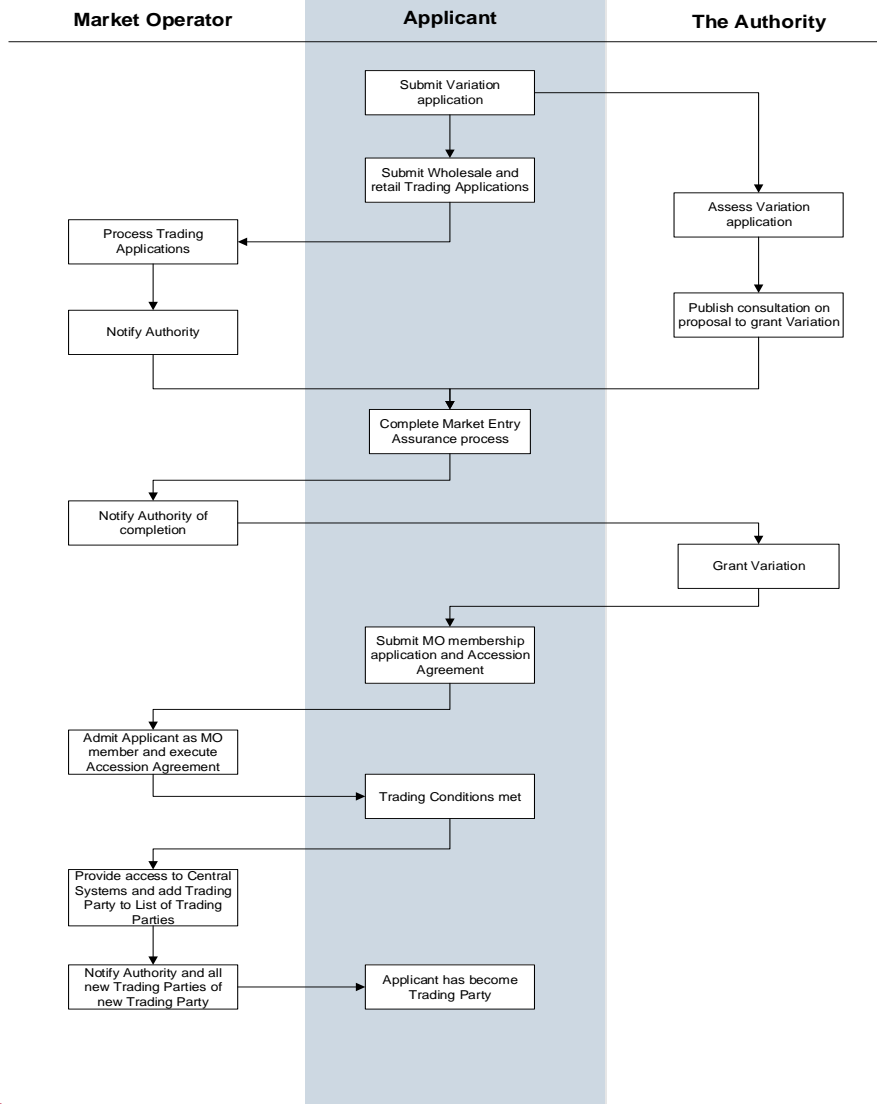


Overall market entry process - Retail



Field Code Changed

Overall market entry process - NAV



Field Code Changed



### 3. Market Entry Assurance and Market Re-assurance methods

#### 3.1 Introduction

3.1.1 This Section describes the set of assurance methods, tools and techniques that can be used to deliver the Market Entry Assurance and Market Re-assurance processes. The extent to which all or a sub-set of these assurance methods will be deployed in each instance is determined as part of the processes set out in Sections 4 and 5 (and in accordance with the relevant guidance) in this CSD.

#### 3.2 Applicant Information Return

##### Overview

3.2.1 Applicants subject to Market Entry Assurance shall be required to complete an Applicant Information Return document and return this to the Market Operator. The completed Applicant Information Return will be used as an input to the ~~assurance planning and~~ assessment of the organisation and also as a basis upon which to decide the assurance methods that should be deployed as part of the ~~overall remaining steps of the~~ Market Entry Assurance process.

3.2.2 The Applicant Information Return will be a standard questionnaire-style document, containing guidance on completion of the document and the Market Entry Assurance process as set out in this CSD, maintained and issued by the Market Operator and approved by the Panel from time to time. As part of the assurance processes detailed in this CSD, the Applicant shall be directed as to which sections of the Applicant Information Return it must complete, depending on whether the Applicant is undertaking enhanced or self-certification Market Entry Assurance, and at what stage(s) in the process. The party may also be required to complete different sections of the Applicant Information Return at different times, and to return these to the Market Operator in advance of the corresponding assurance process stage in order to provide a basis for the relevant assessment to be carried out.

3.2.3 Applicants should submit the Applicant Information Return and ~~all any~~ required supporting evidence in electronic format (unless otherwise agreed with the Market Operator). Any delays in providing this information will impact on the time taken to

complete the Market Entry Assurance process. ~~The Some sections of the~~ Applicant Information Return may need to be signed by a ~~De~~irector or by a person who otherwise has a suitable level of authority to act on behalf of the Applicant (such as the proposed Contract Manager).

3.2.4 The scope of the Applicant Information Return will enable relevant information to be provided on the Applicant's preparations for market operation and/or how its processes, systems, policies and resources will be developed and operated to ensure ongoing compliance with the requirements of the Market Terms and Code Subsidiary Documents.

3.2.5 The categories of information and evidence that an Applicant may be required to provide when completing an Applicant Information Return shall include (but may not be limited to):

**Content of Applicant Information Return ~~Level 1 (general information)~~**

- (a) General information about the Applicant organisation. This may include, for example, key personnel; organisation charts; proposed business locations; proposed role (Retailer or Wholesaler) and ~~S~~ervice ~~C~~ategories (water and/or sewerage);
- (b) The estimated number of Supply Points and/or customers that the Applicant shall be responsible for upon entering the market; any estimated growth in that number over time; the Areas in which the Applicant intends to operate and whether the Applicant expects to become an acquiring licensee pursuant to the Exit Regulations;
- (c) Whether the Applicant has previous experience of operating in the market; and/or intends to use an experienced service provider to provide a managed service for some or all of its market operations; and/or will be deploying systems that are already operating in the market;
- (d) The extent to which the Applicant intends to operate IT based systems and automated processes and/or manual based systems and processes;
- (e) A high level operating model indicating how the Applicant will meet its obligations under the Market Terms and CSDs and operate in accordance with relevant market requirements;

- (f) Policies ~~(and supporting procedures)~~ that support the Applicant's operating model and compliance with its market obligations and processes. These must be made available to the Market Operator for assessment upon request. In particular, these should include policies in relation to:
- (i) Change and configuration management procedures for both the assurance process and subsequent ongoing market operations;
  - (ii) System and data security (including certificate management and other matters as required under the relevant interface CSDs); and
  - (iii) Incident management and business continuity.
- (g) A proposed high-level plan and timetable (to be agreed with the Market Operator) for completing the Market Entry Assurance process.

#### **Applicant Information Return Level 2 (Detailed Business Solution)**

- (h) Systems architecture - Where relevant the Market Operator will require ~~an initial version of a view of the Applicant's systems architecture, definition to be provided at an early stage during the assurance process. A final version will be required prior to the commencement of testing.~~ Any subsequent changes would need to be disclosed and discussed with the Market Operator.
- ~~(i) The systems to be tested in the scope of Market Entry Assurance Testing, including all systems which will directly interact with the Central Systems and any new systems which will indirectly interact with the Central Systems.~~
- ~~(j) A test strategy and plan describing how the Applicant would will undertake internal market testing of their systems and processes that are relevant to meeting the market requirements.~~
- ~~(k) A high level detailed operating model indicating how the Applicant will meet its obligations under the Market Terms and CSDs and operate in accordance with relevant market requirements. This operating model must~~

be ~~maintained and~~ updated ~~as if~~ required ~~throughout during~~ the Market Entry Assurance process. The ~~detailed~~ operating model shall include:

- (i) Mapping of key business processes to relevant market processes and requirements;
- (ii) Any proposed managed services; and
- (iii) Systems/ applications that will support the business solution.

~~(\*)()~~ Business processes - It is expected that the Applicant shall make available all relevant business processes for assessment if required by the Market Operator. During the course of an assurance process, if any business processes are updated, the ~~detailed~~ operating model must be updated as applicable and ~~a copy of the updated business processes, together with~~ the revised ~~detailed~~ operating model must be provided to the Market Operator.

### 3.3 Market Re-assurance Information Return

3.3.1 A Trading Party which has been identified as potentially being subject to Market Re-assurance shall be required to complete a Market Re-assurance Information Return document and return this to the Market Operator. The completed Market Re-assurance Information Return will be used as an input to the ~~assurance planning and~~ assessment of the organisation, and also as a basis upon which the Trading Party should decide the assurance methods that are most appropriate to be deployed as part of the overall Market Re-assurance process. As part of its review and approval of the Market Re-assurance Information Return, these methods will be confirmed by the Market Operator.

3.3.2 The Market Re-assurance Information Return will be a standard questionnaire-style document maintained and issued by the Market Operator (in a form approved by the Panel from time to time). ~~As part of the assurance processes detailed in this CSD, the Trading Party shall be directed as to which parts of the Market Re-assurance Information Return it must complete and at what stage(s) in the process.~~ The Trading Party may also be required to complete different parts of the Market Re-assurance Information Return depending on the nature of the material change and the aspects of Market Re-assurance the Trading Party is

~~undertaking, at different times, and to return these to the Market Operator in advance of the corresponding assurance process stage to provide a basis for the relevant assessment to be carried out.~~

- 3.3.3 The Trading Party should submit the Market Re-assurance Information Return and ~~all any~~ required supporting evidence in electronic format (unless otherwise agreed with the Market Operator). Any delays in providing this information will impact on the time taken to complete the Market Re-assurance process. ~~Some parts of t~~The Market Re-assurance Information Return may need to be signed by a Director or by a person who otherwise has a suitable level of authority (such as the Trading Party's appointed Contract Manager).
- 3.3.4 The scope of the Market Re-assurance Information Return will enable relevant information to be provided on the specific circumstances that have led to a requirement for Market Re-assurance and how its processes, systems, policies and resources will be developed and operated to ensure ongoing compliance with the requirements of the Market Terms and Code Subsidiary Documents ~~(i.e. following a material change or identified performance issue).~~
- 3.3.5 The categories of information and evidence that a Trading Party may potentially be required to provide when completing a Market Re-assurance Information Return shall include (but may not be limited to):
- (a) information on the nature of any material change(s) that the Trading Party intends to make to its operations (including in order to comply with a Performance Rectification Plan where relevant);
  - (b) details of any significant changes to the Trading Party's organisation. This may include, for example, changes in relation to key personnel; organisation structure; or proposed business locations;
  - (c) whether the Trading Party is changing the Service Categories in which it operates (i.e. ~~w~~Water and/or ~~s~~Sewerage);
  - (d) whether the proposed change will result in a significant change in the number of Supply Points for which the Trading Party will be responsible ~~and/or the number of Areas in which the Trading Party will operate;~~

- (e) whether the Trading Party intends to use an experienced sub-contractor to develop and/or provide services in respect of some or all of its amended market operations; and/or will be deploying systems that are already operating in the market;
- (f) the extent to which the Trading Party will be operating a complex business solution in respect of some or all of its market activities (i.e. with high levels of IT based systems and automated processes) where it is currently operating a simple business solution (i.e. predominantly manual based systems and processes) in respect of those activities;
- (g) if the change being made involves the data migration of business records, how the Trading Party will ensure that data quality and integrity is maintained or improved;
- (h) a high level operating model indicating how the Trading Party will meet its obligations under the Market Terms and CSDs and operate in accordance with relevant market requirements;
- (i) policies ~~(and supporting procedures)~~ that support the Trading Party's operating model and compliance with its market obligations and processes. These must be made available to the Market Operator for assessment upon request. In particular, these should include policies in relation to:
  - (i) change and configuration management procedures for both the assurance process and subsequent ongoing market operations;
  - (ii) System and data security (including certificate management and other matters as required under the relevant Interface CSDs); and
  - (iii) Incident management and business continuity.
- (j) a proposed high-level Market Re-assurance Plan ~~and timetable~~ (to be agreed with the Market Operator) for completing the Market Re-assurance process;
- (k) information on the Trading Party's systems architecture. Where relevant the Market Operator will require ~~a an initial version of a~~ view of the Trading

~~Party's systems architecture, definition to be provided at an early stage during the assurance process. A final version will be required prior to the commencement of testing.~~ Any subsequent changes would need to be disclosed and discussed with the Market Operator.

~~(l) the systems to be tested in the scope of Market Re-assurance Testing, if required, including all systems which will directly interact with the Central Systems and affected systems which will indirectly interact with the Central Systems.~~

~~(+)(m)~~ a test strategy and plan describing how the party would undertake internal testing of its systems and processes that are relevant to meeting the Market Re-assurance requirements.

~~(m)(n) a~~ A high-level ~~detailed~~ operating model indicating how the party will meet its obligations under the Market Terms and CSDs and operate in accordance with relevant market requirements. This operating model must be ~~maintained and~~ updated as-if required throughout the Market Re-~~a~~ Assurance process. The ~~detailed~~ operating model shall include:

- (i) mapping of key business processes to relevant market processes and requirements;
- (ii) any proposed managed services; and
- (iii) systems/ applications that will support the business solution.

~~(n)(o)~~ il information on the Trading Party's business processes. It is expected that the Trading Party shall make available all relevant business processes for assessment if requested by the Market Operator. During the course of an assurance process, if any business processes are updated, the ~~detailed~~ operating model must be updated as applicable and a copy of the updated ~~business processes, together with the~~ revised ~~detailed~~ operating model, must be provided to the Market Operator.

### 3.4 Market and Interface Training

3.4.1 The Market Operator shall offer ~~three (3) days of~~ free-of-charge training on the market requirements and, in particular, use of the Transactional Interface for

~~Trading Parties having a low volume of Transactions as specified in CSD 0402 (Transactional Interface for Trading Parties having a low volume of Data Transactions)-various interfaces with the Market Operator (in order to support the party in successfully completing the tests required as part of a Market Entry Assurance or Market Re-assurance process). The specific requirements for use of each of these interfaces are set out in the Interface CSDs.~~

3.4.2 The training shall comprise a series of modules, ~~from which the party may choose depending on the activities that it plans to undertake, interfaces it intends to use and which assurance path it is required to follow.~~ Training modules which will set the training in the context of the wider obligations under the Market Terms and Code Subsidiary Documents, as well as the wider market framework. Training is offered on the assumption that the party is familiar with these obligations and has read the relevant codes and related documents. The training offered will be specific and separate for Wholesaler and Retailer Applicants.

3.4.3 Unless otherwise agreed with the Market Operator, ~~the training shall take place at the offices of the Market Operator and~~ the party shall be entitled to send a maximum of twelve (12) attendees to training each session. As places at the training sessions are limited, it is expected that each party shall put in place appropriate internal procedures to disseminate the learning to all relevant staff within its own organisation. Any additional training would need to be agreed as an Additional Service and may be subject to an Additional Service Charge.

3.4.4 The training shall include (but need not be limited to) ~~modules in relation to:~~

- (a) the market structure and legal framework;
- (b) roles and functions of the Market Operator, the Panel and other governance arrangements;
- (c) Central Systems design and operation;
- (d) assurance processes and requirements;
- (e) Market Terms, Code Subsidiary Documents and key processes, covering:
  - (i) Performance Standards and the Market Performance Framework;



- (ii) Registering new connections;
  - (iii) Registration Transfers and Cancellations;
  - (iv) Error Rectification and Retrospective Amendments;
  - (v) Settlement ~~p~~Process and settlement reporting;
  - (vi) Submission of Meter Reads; and
  - (vii) Trade Effluent processes;
- (f) operations using the various Market Operator interfaces described in the Interface CSDs, including relevant security procedures and electronic key management;
- (g) relevant interface based scenario execution, covering:
- (i) Registering new connections;
  - (ii) Registration Transfers and Cancellations;
  - (iii) Maintaining SPID data;
  - (iv) Carrying out a Data Correction;
  - (v) Meter Read submissions;
  - (vi) Trade Effluent submissions; and
  - (vii) Customer names searches;
- (h) completion of exercises using access to the test Central Systems; and
- (i) registration of Supply Points on the ~~live~~ Central Systems with expert oversight. ~~This aspect of training is provided at the time that the party is first ready to register Supply Points in the live system.~~

### 3.5 Self-certification Declaration

3.5.1 Where specified within an approved Market Entry Assurance Plan (see Section 4 of this CSD) and following completion of Market and Interface Training (described

in Section 3.4 of this CSD), an Applicant may be permitted to certify its own readiness to participate in the market by completing a Self-Certification Declaration and then be considered as having completed the Market Entry Assurance process for the purposes of registering Supply Points pursuant to the Market Terms (subject to provision of an appropriate Security Return as described in Section 3.6 of this CSD and overall satisfaction of the Trading Conditions) if the Applicant meets the following criteria:

(a) ~~which the Applicant~~ does not intend to use the “Transactional Interface for Trading Parties having a high volume of Data Transactions” (as described in CSD 0401 (Transactional Interface for Trading Parties having a high volume of Data Transactions));

(b) ~~the Applicant intends to operate a business solution in respect of some or all of its market activities which predominantly uses manual based systems and processes; and~~

(c) ~~the Applicant’s scale of operations is low.~~

3.5.2 An Applicant must meet all of the above criteria in order to undergo self-certification Market Entry Assurance or Market Re-assurance.

~~3.5.13.5.3 may be permitted to certify its own readiness to participate in the market and then be considered as having completed the Market Entry Assurance process for the purposes of registering Supply Points pursuant to the Market Terms (subject to provision of an appropriate Security Return as described in Section 3.6 of this CSD and overall satisfaction of the Trading Conditions).~~

3.5.4 The Self-Certification Declaration should be completed by an Applicant that fits the above criteria, to provide assurance that the Applicant’s business solution is designed and built in such a way that it will meet the obligations of the Market Terms, Business Terms and Operational Terms. This will be confirmed by the Market Operator.

## 3.6 Security Return

3.6.1 A questionnaire detailing the organisation’s approach to key data management ~~and for~~ use of various transactional interfaces with the Market Operator’s systems. This provides ~~additional~~ assurance on this area as part of the “self-

~~assessment/certification~~" Market Entry Assurance path or can be deployed as part of Market Re-~~a~~Assurance. If a response is inadequate or incomplete, then the organisation shall not be able to complete the relevant assurance process and shall be required to provide further information.

### 3.7 Business Solution Assessment

3.7.1 ~~The Should a Market Operator shall carry out a~~ Business Solution Assessment ~~be required as part of the "enhanced" -Market Entry Assurance or Re-assurance process, it shall be carried out by the Applicant or Trading Party respectively to seek provide~~ assurance that the relevant organisation's systems and processes are designed and built in such a way that it will meet the obligations of the Market Terms and CSDs. The scope of the Business Solution Assessment will be based on the Market Terms, Business Terms, and Operational Terms, risks specific to the Applicant, and information provided in the Applicant Information Return or Market Re-assurance Information Return as applicable. ~~The Business Solution Assessment also looks at other areas such as management procedures.~~

3.7.2 The organisation being assessed may be required to supply additional design and process documents or other evidence to demonstrate compliance with the market requirements. An review of the assessment ~~of the information~~ provided by the Applicant will then be carried out by or on behalf of the Market Operator. ~~There will be an initial assessment of documentary evidence at the Market Operator's offices. This may be followed by a site visit to gain a clearer understanding of the organisation's design.~~

3.7.3 Key areas of assessment shall include:

~~(a) The approach the Applicant has implemented to complete the Business Solution Assessment;~~

~~(b) Consideration and mitigation of risks specific to the Applicant;~~

~~(c) Compliance with the Market Terms and CSDs;~~

~~(a)(d) Compliance with the Business Terms; and~~

~~(b)(e) Compliance with the Operational Terms.~~

- ~~(c) — Systems architecture;~~
- ~~(d) — System functionality vs. business procedures;~~
- ~~(e) — Coherence of procedures and systems;~~
- ~~(f) — Transaction processing and validation;~~
- ~~(g) — Change and configuration management;~~
- ~~(h) — Test planning and management; and~~
- ~~(i) — Problem management.~~

3.7.4 A copy of all relevant business processes must be made available to the Market Operator ~~at the beginning of the Business Solution Assessment~~if requested. The assessment ~~should focus on~~ should focus on the ability of the Applicant to uphold the relevant market obligations and the existence of defined processes (including both documented procedures and automated processes). ~~The coherence of these business processes shall be checked through assessment against typical scenarios.~~

3.7.5 The Market Operator shall assess whether the organisation's business ~~processes~~ capability, including business processes and systems, encompass ~~enables the Applicant to uphold~~ all applicable market obligations. For Market Entry Assurance, such capability must be implemented for completion of the process to occur, unless agreed with the Market Operator. ~~The business processes should be stable and coherent, and navigation between business processes, including supporting work instructions, should be clearly defined. It should also be clear how it is determined which business process is used to process any incoming Data Transaction and how overdue Data Transactions are detected and resolved.~~

### **3.8 Market Entry Assurance and Market Re-assurance Interface and Data Transaction Testing**

3.8.1 The Market Operator shall develop, maintain and publish a Testing Plan Pro-forma document describing how the tests should be carried out during Market Entry Assurance Testing or Market Re-assurance Testing. This technique will use a

central test service, provided by the Market Operator. Planning and co-ordination will be essential for managing:

(a) the schedule for testing, including any re-tests;

(b) test data; and

and

(c) issue resolution.

3.8.2 Market Entry Assurance and Market Re-assurance Testing will include preliminary testing of the relevant communications interfaces between the Applicant or Trading Party's systems and the Market Operator as well as the reverse path from the Market Operator to the organisation, to gain assurance that the Applicant or Trading Party will be able to send and receive Data Transactions to and from the Central Systems correctly. This testing does not test business process or subsequent processing of Data Transactions by the organisation's systems.

3.8.3 All organisations wishing to use the "Transactional Interface for Trading Parties having a high volume of Data Transactions" will be required to carry out this Testing.

3.8.4 It may also be appropriate for Trading Parties who are already using this interface to undertake testing (e.g. including, without limitation, in the event of a material change to the Central Systems, or to the Central Systems, or to the Trading Party's systems). In these cases, the Market Operator shall provide/agree a test specification with the Trading Party that is appropriate to the scope and nature of the changes.

~~3.8.1 The purpose of Interface and Data Transaction Testing is to gain assurance that the Applicant or Trading Party will be able to send and receive Data Transactions to and from the Central Systems correctly. Interface and Data Transaction Testing is also a precursor to Market Scenario Testing.~~

~~3.8.2 The Market Operator shall develop and maintain and publish an Interface and Data Transaction Testing Approach document describing the tests to be carried out during this phase of testing.~~

~~3.8.3 The Market Operator shall test each relevant communications interface between the organisation's systems and the Market Operator as well as the reverse path from the Market Operator to the organisation. Interface and Data Transaction Testing does not test business process or subsequent processing of Data Transactions by the organisation's systems.~~

~~3.8.4~~ 3.8.5 The Market Operator shall support the Applicant or Trading Party's tests, where required, through the provision of Data Transactions ~~construct the Applicant or Trading Party's Data Transactions~~ in accordance with CSD 0301 (Data Catalogue).

~~3.8.5 All organisations wishing to use the "Transactional Interface for Trading Parties having a high volume of Data Transactions" for the first time will be required to carry out Interface and Data Transaction Testing.~~

~~3.8.6~~ 3.8.6.1.1 ~~It may also be appropriate for Trading Parties who are already using this interface to undertake testing (e.g. in the event of a material change to the Central Systems, or to the Trading Party's systems). In those cases the Market Operator shall provide a test specification that is appropriate to the scope and nature of the changes.~~

~~3.8.7 Verification of successful completion of testing shall be by way of documentary evidence that the organisation shall be required to provide. Issues, follow up and reporting shall be documented and dealt with as for the Business Solution Assessment.~~

### **Market Scenario Testing**

~~3.8.8~~ 3.8.6 ~~Following successful completion of Interface and Data Transaction Testing by the Applicant or Trading Party, Market Scenario~~ further Testing shall be carried out in the form of Market Scenario Testing to obtain assurance that the Applicant or Trading Party is able to suitably create and process the Data Transactions ~~carry out key scenarios~~ that it will expect to supply through the "Transactional Interface for Trading Parties having a high volume of Data Transactions" ~~typically encounter~~ using its systems, business processes and operational staff within normal, operational conditions including defined market process timings.

~~3.8.9~~ 3.8.7 Typical scenarios will include, but are not limited to:

- (a) New Supply Point;
- (b) Transfer Registration (both gain and loss);
- (c) Transfer Registration (Transfer Cancellation);
- (d) Add a meter;
- (e) Remove a meter;
- (f) Disconnection;
- (g) Meter exchange;
- (h) Submission of Meter Reads; and
- (i) Carry out a Data Correction.

~~3.8.10 The Market Operator shall develop, maintain and publish a Market Scenario Testing Approach document describing how the tests should be carried out during this phase of testing. This technique will use a central test service, provided by the Market Operator. Planning and co-ordination will be essential for managing:~~

~~3.8.11 the schedule for testing, including any re-tests;~~

~~3.8.12 test data; and~~

~~3.8.13 issue resolution.~~

~~3.8.14~~ 3.8.8 To provide clarity to applicants on the typical scenarios to be tested, the Market Operator shall publish a Test Script pro-forma document, setting out the typical scenarios an applicant may be required to carry out during Market Scenario Testing. Market Scenario Testing is not limited to these scenarios, and may also include other relevant and appropriate tests to provide assurance that the Applicant or Trading Party's systems can successfully interact with the Central Systems. The scenarios to be tested shall be defined in the form of storyboards. The Market Operator shall develop, maintain and publish the storyboards for use in Market Scenario Testing.

~~3.8.153.8.9~~ Some of the ~~storyboards scenarios shall may~~ be applicable to Retailers only, some to Wholesalers only and some to all Applicants or Trading Parties. Each ~~storyboard scenario shall describe include~~ as a minimum:

- (a) the initial conditions that must prevail before the scenario can begin. The organisation being tested shall be responsible for preparing these initial conditions; and
- (b) a step-by-step description of the events that are to occur within the scenario. The events will be described in business terms and it will be the organisation's responsibility to interpret these into technical activities; ~~and~~
- ~~(c) the final conditions that should prevail when the scenario has been fully completed. A scenario cannot be considered complete until all of the final conditions have been met.~~

~~3.8.163.8.10~~ During the completion of the ~~storyboards scenarios~~, the organisation being tested shall be required to create all flows that would normally be sent by them whilst performing the market activity covered by the scenario.

~~3.8.173.8.11~~ The Market Operator's central test capability shall simulate all flows that would normally be received by the Trading Party during the completion of the scenarios. This will include simulation of flows from the Market Operator, a Retailer, an Other Retailer, a Wholesaler and an Other Wholesaler, as applicable.



## 4. Market Entry Assurance process

### 4.1 Process description

#### Step a: Initiation

- 4.1.1 To initiate the Market Entry Assurance process, the Applicant shall submit a Trading Application to the Market Operator in accordance with the overall market entry process described in Section 2 of this CSD.

#### Step b: Initial contact with Market Operator

- 4.1.2 Within two (2) Business Days of receipt of ~~the a valid~~ Trading Application ~~in as per~~ step a above, the Market Operator shall confirm receipt to the Applicant and send the party ~~an Applicant information pack, providing guidance on the Market Entry Assurance processes and requirements set out in this CSD. formal acceptance of the Trading Application.~~

- ~~4.1.3 At the same time the Market Operator shall send a copy of the Applicant Information Return level 1 questionnaire to the Applicant, together with a guidance note on how the Applicant Information Return should be completed.~~

- ~~4.1.44.1.3~~ The Applicant may request a preliminary meeting with the Market Operator to discuss the Market Entry Assurance requirements and process and the Market Operator shall support this. Any such preliminary meeting shall usually take place at the Market Operator's offices or by telephone.

- ~~4.1.54.1.4~~ The Market Operator shall not progress any of the subsequent steps in this Market Entry Assurance process until such time as it has received confirmation in writing from the Authority that it ~~has completed its assessment of the Applicant's licence application and will recommend is minded to grant a~~ Licence ~~is granted or Appointment to the Applicant, or it has completed consultation of a New Appointment or Variation~~ (subject to the Applicant completing Market Entry Assurance in accordance with this CSD).

#### Step c: Submission of Applicant Information Return ~~Level 1~~

- ~~4.1.5~~ The Applicant shall submit a completed Applicant Information Return ~~level 1~~ questionnaire and any supporting materials to the Market Operator. ~~The guidance~~

~~provided by the Market Operator under step b above will provide detail on the scope and format of this submission.~~ Where necessary the Market Operator shall contact the Applicant to clarify its understanding of any of the information provided and/or to seek any missing information.

~~4.1.6~~ The information provided in the Applicant Information Return ~~level 1~~ shall be used by the ~~Applicant~~ ~~Market Operator~~ in developing and recommending an ~~appropriately scaled proposed~~ Market Entry Assurance process, to be detailed in ~~the~~ Market Entry Assurance Plan (step d below).

#### Step d: Market Entry Assurance Plan

~~4.1.64.1.7~~ ~~At the same time as submitting an Applicant Information Return, as per step c above, the Applicant will also produce a draft Market Entry Assurance Plan and submit this to the Market Operator. Within ten (10) Business Days of receipt of the completed Applicant Information Return level 1 under step c above, the Market Operator shall produce a draft Market Entry Assurance Plan and send this to the relevant Applicant for comment. This plan shall reflect specify whether the “Self-Certification” assurance path (“Path 1”) or “Enhanced” assurance path (“Path 2”) is to shall be followed.~~

~~4.1.7~~ The Applicant shall provide its comments on the assurance methods, stages, timetable and other matters set out in the draft Market Entry Assurance Plan to the Market Operator.

~~4.1.8~~ Within ten (10) Business Days of receipt of the Applicant's comments the Market Operator shall seek to agree a final Market Entry Assurance Plan with the Applicant. This plan shall specify whether the “Self-Certification” assurance path (“Path 1”) or “enhanced” assurance path (“Path 2”) shall be followed.

~~4.1.94.1.8~~ In ~~determining~~ ~~proposing~~ which path should be followed, the ~~Market Operator~~ ~~Applicant~~ shall have particular regard to the extent to which ~~the Applicant~~ ~~it~~ (as indicated in its Applicant Information Return ~~level 1~~):

- (a) intends to operate a business solution in respect of some or all of its market activities which predominantly uses manual based systems and processes

(in which case ~~Path 1~~the Self-Certification route is likely to be most appropriate); or

- (b) intends to operate a business solution in respect of some or all of its market activities which includes a high level of IT based systems and automated processes (in which case ~~Path 2~~the Enhanced route is likely to be most appropriate).

~~4.1.104.1.9~~ If the Market Operator and the Applicant cannot agree a proposed Market Entry Assurance Plan, then the Market Operator shall seek the views of the Panel as to what amendments, if any, should be made to the plan. The Market Operator shall include such amendments in the version of the plan that ~~it~~the Applicant uses to direct all subsequent steps and activities in the Market Entry Assurance process ~~and the Applicant shall be bound by that plan.~~

~~4.1.114.1.10~~ If the Applicant expects to be a Transferee as a result of a Transferor having applied to the Secretary of State for permission to withdraw from an Area in the non-household retail market in accordance with the Exit Regulations, then the Applicant, Market Operator and Panel shall have due regard to this when establishing the Market Entry Assurance Plan.

~~4.1.124.1.11~~ In the event that the Applicant fails to complete any stage within the planned timeframe for the stage, it may be necessary to adjust the Market Entry Assurance Plan for subsequent and dependent stages. The Market Operator ~~must agree any such changes in writing, and~~ will use reasonable endeavours to provide support. However, where this leads to an extension to the overall timetable, the Market Operator's ability to support such changes will need to take account of its commitments to other Applicants.

~~4.1.134.1.12~~ If the Applicant is ready to commence a stage early, either because a previous stage was completed sooner than expected, or for other reasons, then the Market Operator shall use reasonable endeavours to accommodate such a change to the plan.

~~4.1.144.1.13~~ Within ten (10) Business Days of receipt of a valid Applicant Information Return and Market Entry Assurance Plan, the Market Operator shall, subject to the documents being satisfactorily completed, provide formal approval to the Applicant.

~~4.1.154.1.14~~ If the approved assurance path within the agreed plan is ~~Path 1 (“Self-Certification”)~~ then proceed to steps e-g below. If the approved assurance path within the agreed plan is ~~Path 2 (“Enhanced Market Entry Assurance”)~~ then proceed to steps h-o below.

#### Path 1: “Self-Certification” Market Entry Assurance process

##### Step e: Market and Interface Training scheduling and delivery

~~4.1.164.1.15~~ The Market Operator shall ~~schedule-review the Applicant’s preferred training dates as set out in the Market Entry Assurance Plan, and either agree or suggest an alternative date, relevant Market and Interface Training to commence between ten (10) Business Days and twenty (20) Business Days after the date on which the relevant Market Entry Assurance Plan was approved.~~

~~4.1.174.1.16~~ The Market Operator will provide Market and Interface Training ~~for up to twelve (12) individuals from each Applicant, appropriate to Path 1 over a period of three (3) days,~~ plus any additional time ~~or participants~~ that may have been agreed as an Additional Service.

##### Step f: Self Certification and Security Return

~~4.1.184.1.17~~ Following completion of Market and Interface Training, the Applicant should submit a signed Self Certification ~~form-Declaration~~ to the Market Operator.

~~4.1.194.1.18~~ The Applicant should also submit a completed Security Return. The Market Operator shall review the Security Return ~~and Self-Certification Declaration~~. Any issues identified will be documented and the Applicant shall be expected to propose and agree amendments.

##### Step g: ~~Path 1~~Self-Certification Market Entry Assurance ~~Exit-Final Decision~~ and commencement of trading

~~4.1.204.1.19~~ Within ~~five-ten (105)~~ Business Days of receipt of the completed Self Certification ~~Declaration~~ and Security Return, the Market Operator shall confirm receipt of these documents and, subject to the documents being satisfactorily completed, confirm to the Applicant in writing that it has ~~exited-completed~~ Market

Entry Assurance and been granted Market Entry Assurance Certification. The Market Operator shall also notify the Authority ~~that the Applicant has completed Market Entry Assurance~~ informing them of the same.

~~4.1.214.1.20~~ Subject to the Applicant having become a Trading Party by fully satisfying the Trading Conditions ~~in respect of one (1) or more Areas then, within on the same three (3) Business Days as it sends the above confirmation to of the Applicant becoming a Trading Party, and subject to the prior submission of relevant administrative details by the Applicant,~~ the Market Operator shall provide access to the Central Systems to enable the party to submit necessary data pursuant to CSD 0006 (Trading Party Administration and Notification Processes) and to register Supply Points and execute other associated processes via the Central Systems, as appropriate.

~~4.1.224.1.21~~ The Market Operator shall also ~~notify the Authority and all other Trading Parties publish~~ that the Applicant has ~~completed Market Entry Assurance and has~~ satisfied the Trading Conditions.

#### **Path 2: “Enhanced” Market Entry Assurance**

##### **Step h: Applicant Information Return Level 2 submission**

~~4.1.23~~ Within five (5) Business Days of the date of approval of the relevant Market Entry Assurance Plan, the Market Operator shall request the Applicant to complete and submit those elements of the Applicant Information Return Level 2 as required in the agreed Market Entry Assurance Plan.

~~4.1.24~~ The Applicant shall submit the completed documentation in accordance with any timescales for doing so specified in the agreed Market Entry Assurance Plan. Where necessary the Market Operator shall contact the Applicant to clarify its understanding of any of the information provided and/or to seek any missing information.

~~4.1.25~~ The information provided in the Applicant Information Return Level 2 shall be used by the Market Operator to undertake a Business Solution Assessment, and to specify appropriate testing requirements for Interface and Data Transaction Testing and Market Scenario Testing.

**Step hi: Path 2 Market and Interface Training scheduling and delivery**

~~4.1.22~~ The Market Operator shall review the Applicant's preferred training dates as set out in the Market Entry Assurance Plan, and either agree or suggest an alternative date.

~~4.1.26~~ The Market Operator shall schedule relevant Market and Interface Training to commence between ten (10) Business Days and twenty (20) Business Days after the date on which the relevant Market Entry Assurance Plan was approved.

~~4.1.274.1.23~~ The Market Operator shall provide Market and Interface Training for up to twelve (12) individuals from each Applicant appropriate to Path 2 over a period of three (3) days, plus any additional time or participants that may have been agreed as an Additional Service.

**Step ij: Business Solution Assessment**

~~4.1.284.1.24~~ The Business Solution Assessment shall be undertaken in accordance with the timescales in the Market Entry Assurance Plan agreed under Step d above. ~~However it shall not be possible for this stage to commence until the Applicant has submitted its Applicant Information Return Level 2 (step h above). Once the Market Operator is satisfied that the information received from the Applicant is complete, the Market Operator shall confirm to the Applicant the date(s) and time(s) when the Business Solution Assessment is to be undertaken and the names and contact details of the Market Operator staff that will be involved.~~

~~4.1.25~~ The ~~Market Operator~~Applicant shall ~~undertake~~ submit the Business Solution Assessment in accordance with the method described in Section 3 of this CSD.

~~4.1.294.1.26~~ Once the Applicant has submitted the Business Solution Assessment, the Market Operator will assess the information provided. Ten (10) Business Days after receiving the Applicant's submission, the Market Operator will, subject to the document being satisfactorily completed, confirm approval of the submission to the Applicant.

~~4.1.30~~ ~~There will be an initial assessment of documentary evidence at the Market Operator's offices. This may be followed by a site visit to gain a clearer understanding of the Applicant's design.~~

~~4.1.314.1.27~~ The Business Solution Assessment may include interviews and “walkthrough” exercises to determine whether the party has a robust and consistent set of systems and processes and an effective change control method to manage them.

~~4.1.324.1.28~~ Any issues identified will be formally documented and the Applicant will be expected to propose and agree corrective actions. The results of the actions shall then be verified by the Market Operator.

~~An outcome report will be produced on completion of the Business Solution Assessment and thereafter updated on completion of any corrective actions. These reports will be treated as confidential. These reports (or a summary thereof) may be sent to the Panel to inform them of the progress of the party through the relevant assurance process, in which case the Panel shall also treat these as confidential.~~

#### **Step ~~jk~~: Market Entry Assurance Testing – Scheduling and Preparation**

~~4.1.334.1.29~~ Testing shall be organised as follows:

- (a) Test scheduling – ~~as part of approval of the Applicant’s Market Entry Assurance Plan, the following the completion of Business Solution Assessment, the~~ Applicant and Market Operator shall agree a preferred Testing Start Date ~~,-~~
- (b) Applicant confirmation – the Applicant must confirm that it has completed the development and internal testing of its systems that will be used for Market Entry Assurance testing, ~~at least ten (10) Business Days prior to the preferred Testing Start Date.~~ In the event that the Applicant has not completed this work, the Applicant should agree a revised Testing Start Date with the Market Operator.
- (c) Market Entry Assurance ~~T~~test ~~specification-Plan Pro-forma – within at least two ten (102) Business Days before the scheduled Testing Start Date, the Applicant must submit a completed Test Plan Pro-forma to the Market Operator, which sets out the proposed test steps and exit conditions for the Applicant, of receipt of the Applicant’s confirmation under step b above, the Market Operator shall provide a Market Entry Assurance test specification, which will include a confirmed Testing Start Date, which must~~

~~remain within ten (10) Business Days of the Applicant's confirmation. The Market Operator shall also enable test Registrations to be executed by the Applicant via the relevant interfaces, as of the Testing Start Date.~~

**Step ~~4~~: Market Entry Assurance - Testing - execution**

~~4.1.344.1.30~~ Market Entry Assurance Testing should commence on the Testing Start Date and should include Interface and Data ~~Transfer-Transaction~~ Testing and Market Scenario Testing.

~~4.1.354.1.31~~ The purpose of Interface and Data Transaction Testing is to gain assurance that the Applicant can communicate with the Central Systems correctly and can successfully use all relevant interfaces with the Market Operator. Interface and Data ~~Transfer-Transaction~~ Testing is a precursor for Market Scenario Testing and the Market Operator will use a Central Systems test system to carry this out. A successful test will consist of:

- (a) a Data Transaction being submitted to and processed by the Central Systems test system, in accordance with the relevant Central Systems security procedures; and
- (b) the reciprocal Data Transaction processing response being retrieved by the Applicant's systems, in accordance with the relevant Central Systems security procedures.

~~4.1.364.1.32~~ Market Scenario Testing will be carried out to obtain assurance that an Applicant is able to carry out those Data Transactions that it will submit to and retrieve from the Central Systems via the Transactional Interface for Trading Parties having a high volume of Data Transactions as specified in CSD 0401 (Transactional Interface for Trading Parties having a high volume of Data Transactions). ~~Any scenarios within Market Scenario Testing for which the Applicant intends to use solely the and the~~ Transactional Interface for Trading Parties having a low volume of Transactions as specified in CSD 0402 (Transactional Interface for Trading Parties having a low volume of Data Transactions) ~~will not be included in the scope of Market Scenario Testing as relevant.~~



4.1.374.1.33 Successful Market Scenario Testing will consist of the successful submission and retrieval of all Data Transactions and Data Transaction processing responses that the Trading Party will submit/retrieve via its high volume application.

4.1.384.1.34 Applicants and Trading Parties will run the tests and will be required to produce appropriate evidence of each test step to support the test outcomes. This will include, but is not limited to, evidence in relation to Data Transactions both sent and received, relevant screenshots, reports, files and relevant database extracts. Where appropriate the Market Operator will collect evidence received from and sent to the party during testing.

4.1.394.1.35 It is the responsibility of the party to create their own test scripts for the scenarios, customised to their systems and procedures. The party will collect evidence and forward it to the Market Operator on a step-by-step basis. The Market Operator will assess the evidence as it is received and compare it with expected results. Any discrepancies will be reported by the Market Operator to the party.

4.1.404.1.36 Applicants and Trading Parties shall be required to re-run any tests that have failed. The Market Operator shall, where practicable, discuss re-run options with the party in order to find a pragmatic way forward (e.g. partly re-run). Issues, follow-up and reporting will be documented and dealt with in the same manner as described in the Business Solution Assessment.

#### **Step 1m: Completion of Market Entry Assurance Testing**

4.1.414.1.37 Any issues identified during testing shall be formally documented and the Applicant will be expected to propose and agree corrective actions. The results of the actions shall then be verified by the Market Operator.

~~4.1.42 On successful completion of the tests (as determined by the Market Operator), the Applicant shall be required to confirm, by providing a signed declaration to the Market Operator, that it has successfully tested all of the systems that it intends to use for its market operations. The Applicant's declaration shall include an acknowledgement that it may need to undertake further assurance if it makes changes to its relevant systems or processes in accordance with the Market Terms. Dependent upon the significance of any recommended change by the Market Operator further test evidence may be necessary.~~

~~4.1.434.1.38~~ In the event that some tests have not been successfully executed, it is at the discretion of the Market Operator whether to confirm the successful completion of Market Entry Assurance Testing. ~~For example, if a test to retrieve a Data Transaction Notification flow has not been completed via the Transactional Interface for Trading Parties having a high volume of Data Transactions as specified in CSD 0401 (Transactional Interface for Trading Parties having a high volume of Data Transactions), the Market Operator may still confirm the Market Entry Assurance Testing as a success as these flows are also retrieved and displayed using the Transactional Interface for Trading Parties having a low volume of Data Transactions as specified in CSD 0402 (Transactional Interface for Trading Parties having a low volume of Data Transactions).~~

~~4.1.39~~ A Testing Outcome Report will be produced by the Market Operator on completion of testing ~~and thereafter updated on completion of any corrective actions and further testing that may have been required.~~ These reports will be treated as confidential ~~and sent to the Panel to inform them of the progress of the party through the relevant assurance process.~~

**Step m: Systems Declaration**

~~4.1.444.1.40~~ On successful completion of the required tests (as determined by the Market Operator), the Applicant shall be required to confirm, by providing a signed Systems Declaration to the Market Operator, that the systems tested as part of Market Entry Assurance Testing are the systems it intends to use in its live operations. The Systems Declaration shall include an acknowledgement that the Applicant may need to undertake further assurance if it makes changes to its relevant systems or processes in accordance with the guidance on Market Re-assurance in section 5.

**Step n: Market Entry Assurance Certification decision** ~~Final Outcome Report and completion decision~~

~~4.1.454.1.41~~ Where the Market Operator is satisfied that the Applicant has successfully completed all relevant requirements then, within five (5) Business Days of completion of Market Entry Assurance Testing by submitting a valid Systems Declaration, the Market Operator shall ~~prepare grant Market Entry Assurance Certification a Final Outcome Report and submit this~~ to the Applicant. ~~The report shall detail the Path 2 assurance activities undertaken and confirm that the~~

~~Applicant has successfully completed these and has therefore completed Market Entry Assurance.~~ The Market Operator shall also ~~submit this report to the next meeting of the Panel and to notify~~ the Authority ~~for information of successful completion of Market Entry Assurance.~~ For the avoidance of doubt, where the Market Operator is satisfied that the Applicant has completed the Market Entry Assurance process, no further decision of the Panel is required.

4.1.464.1.42 In the event that the Market Operator is not satisfied that the Applicant has successfully completed Market Entry Assurance and is of the opinion that the Applicant should not exit the process, the Market Operator shall refer the matter to the next meeting of the Panel. The Market Operator shall explain the reasons for its recommendation and highlight any error, problem, breach of testing principle or issue of non-compliance with the Market Terms or the CSDs that occurred during assessment or testing which in its opinion presents an unacceptable risk to the market.

4.1.474.1.43 The Market Operator shall seek the views of the Panel as to what, if any, additional steps the Applicant should carry out to facilitate completion of the process. The Market Operator shall work with the Applicant to put in place a plan to support any such additional steps that reflects the Panel's recommendation and shall continue to monitor the Applicant's progress and provide feedback to the Panel as part of the reporting process. The Market Operator shall make arrangements with the Applicant for it to take the additional steps specified with the shortest possible delay, but subject to it not causing disruption to other Applicants who are progressing through the Market Entry Assurance process or other operational activities undertaken by the Market Operator.

4.1.484.1.44 Upon successful completion of any additional steps, the Market Operator shall approve the completion of Market Entry Assurance by ~~sending a Final Outcome Report granting Market Entry Assurance Certification~~ to the Applicant ~~confirming the same.~~

#### **Step o – Commencement of Trading**

4.1.494.1.45 Subject to the Applicant having become a Trading Party by fully satisfying the Trading Conditions ~~in respect of one (1) or more Areas then,~~ within three (3) Business Days on the same Business Day as of ~~it~~ the Applicant becoming a Trading Party, ~~sends a Final Outcome Report to the Applicant,~~ and subject to

submission of relevant administrative details, the Market Operator shall provide access to the Central Systems to enable the party to submit necessary data pursuant to CSD 0006 (Trading Party Administration and Notification Processes) and to register Supply Points and execute other associated processes via the Central Systems, as appropriate.

~~4.1.504.1.46~~ The Market Operator shall also ~~notify the Authority and all other Trading Parties~~ publish that the Applicant ~~has completed Market Entry Assurance and~~ has satisfied the Trading Conditions.

## 4.2 Authority directions

4.2.1 The Market Operator, the Panel and an Applicant shall comply with any direction of the Authority in respect of the application of the Market Entry Assurance process and the Wholesale-Retail Code in relation to a specific applicant and/or any decision made pursuant to the process in relation to that applicant.

## 4.3 Applicant obligations in support of the Market Entry Assurance process

4.3.1 An Applicant must comply with the following requirements when subject to the Market Entry Assurance process:

- (a) the Applicant undertakes to be fully prepared for each stage of Market Entry Assurance as it takes place. A lack of preparedness is likely to result in a delay to completion of Market Entry Assurance;
- (b) the Applicant is responsible for the quality and preparedness of its plans, business processes, designs and other evidence required as part of the Market Entry Assurance process;
- (c) if the Applicant intends to make use of the services of a sub-contractor for some or all of its business solution the Applicant remains responsible in all respects for those in relation to the Market Entry Assurance process;
- (d) the Applicant must provide the Market Operator with access to all of the ~~staff, systems and IT environments~~ resources necessary to carry out all the Market Entry Assurance activities applicable to it;

- (e) where the Market Operator requires to undertake any work on site at the Applicant's place(s) of business, the Applicant is required to provide appropriate business accommodation and facilities, including a private area for occasional use and a connection to the internet;
- (f) all tests executed by the Applicant as part of, or to provide evidence for, the Market Entry Assurance activity must be carried out in an environment closely representing the Applicant's expected live environment;
- (g) all tests executed as part of, or to provide evidence for, the Market Entry Assurance activity must include all parties that comprise the organisational unit requiring Market Entry Assurance. This shall include all the Applicant's sub-contracted service operators or partners that, in the live environment, will carry out business processes included within the scope of the Market Entry Assurance activity;
- (h) the Applicant shall provide the Market Operator with a copy of all documents and evidence necessary for it to carry out the Market Entry Assurance activity. This shall include, but is not limited to, business processes, work instructions, designs for applications, test plans, test results, management processes and associated records as requested by the Market Operator.; and
- (i) In certain circumstances it may be necessary for Market Entry Assurance activities to be conducted at a location(s) ~~outside Great Britain~~away from its offices. For example, this may be required if a significant part of the Applicant's Market Operator-facing operations (business processes and/or systems) will be undertaken overseas. Where this is the case, and consequently results in additional costs being incurred in excess of those reasonably expected for an equivalent exercise within Great Britain, the Market Operator shall be entitled to recover such additional costs from the Applicant. In this event the Market Operator shall agree the level of charges that will be used to determine these costs with the Applicant in advance of undertaking the relevant assurance activities.

## 5. Market Re-assurance process

### 5.1 Triggers for Market Re-assurance

5.1.1 Market Re-assurance is a process that must be completed by a Trading Party to assure its continued operation is in accordance with the requirements of the Market Terms and CSDs. A Trading Party shall be required to complete Re-~~a~~Assurance where either:

- (a) there is deemed to be a material change to the Trading Party's operations that may impact its ongoing ability to meet the relevant market requirements, as identified either by the Trading Party or the Market Operator. Guidance as to what could constitute a material change for these purposes is included in Section 5.2 of this CSD; or
- (b) the Trading Party is required to undertake Market Re-assurance as a requirement of a Performance Rectification Plan established in accordance with CSD 0002 (Market Performance Framework).

5.1.2 Assessment of a Trading Party under the Market Re-assurance process may comprise some or all of the assurance methods used under Market Entry Assurance (and described in Section 3 of this CSD). The scope of each Market Re-assurance activity shall depend on the individual circumstances which have led to its initiation (such as the nature of the material change or performance issue) and shall be specified by the Market Operator ~~prior to commencement~~ as part of its approval of the Market Re-assurance Information Return of the activity in each case.

### 5.2 Material change guidance

5.2.1 In deciding whether a specific change constitutes a material change for the purposes of triggering Market Re-assurance the Market Operator shall consider potential risk to market operation and the Central Systems, applying the guidance in the table below. ~~In order to provide a level of certainty to Trading Parties, t~~The table below identifies those events that are likely to be deemed to be a material change to the Trading Party's operations that may impact its ongoing ability to meet the relevant market requirements. The table also indicates which assurance elements are likely to be deployed in each circumstance. The table is not

exhaustive, and Trading Parties may be required to undergo Market Re-assurance in further situations, or additional elements depending on the scenario.

Trigger Event	Comments	MRIR	MIT	BSA	IDTF SCD	MST MRT
Trading Party wishes to commence using the Transactional Interface for Trading Parties having a high volume of Data Transactions (where previously only using the Transactional Interface for Trading Parties having a low volume of Data Transactions)	It is assumed that the Trading Party commenced trading following completion of the <b>Path 4</b> ("Self-Certification Assessment" Market Entry Assurance process and has therefore not yet been subject to Business Solution Assessment and Market Entry Assurance Testing required for use of the high volume interface. This will need to be completed as part of Market Re-assurance.	✓	<del>✓</del> =	✓	<del>✓</del> =	✓
Trading Party wishes to use the Interface for Trading Parties having a high volume of Data Transactions for additional Data Transactions (including e.g. where undertaking an extension of Area or a new Service Category)	It is assumed that the user will be familiar with the Interface for Trading Parties having a high volume of Data Transactions and limited reassurance will be required.	✓	-	✓	<del>✓</del> =	✓
Trading Party hardware platform change	It is assumed that the user will be familiar with the Interface for Trading Parties having a high volume of Data Transactions and limited reassurance will be required.	✓	-	-	<del>✓</del> =	✓
Trading Party communications change	It is assumed that this type of change includes; changes to network, change to ISP etc.	✓	-	-	<del>✓</del> =	✓
Trading Party software platform change	This is limited to software directly handling data flows; building outgoing flows and/or interpreting incoming flows.	✓	-	✓	<del>✓</del> =	✓

Trigger Event	Comments	MRIR	MIT	BSA	<del>IDTT</del> SCD	<del>MST</del> MRT
Trading Party software package upgrade	This is limited to software directly handling data flows, building outgoing flows and/or interpreting incoming flows.	✓	-	-	<del>✓</del> =	✓
Significant Trading Party staff changes	Only applicable if there are significant changes to operational staff which require training and induction over and above that normally undertaken (for example following a merger or relocation requiring large scale staff replacement).	✓	✓	-	-	-
Trading Party business process change	Applicable if the Trading Party changes any processes which are highly relevant to ensuring ongoing compliance with the Market Terms and the CSDs.	✓	-	✓	<del>✓</del>	-
Retail Exit	Applicable where the Transferee is acquiring a significant number of Supply Points <del>pursuant to an application under the Exit Regulations</del> and this will result in one or more of the trigger events described above.	✓	✓	✓	✓	✓

**Key:**

MRIR: Market Re-assurance Information Return

MIT: Market and Interface Training

BSA: Business Solution Assessment

SCD: Self-Certification Declaration

MRT: Market Re-assurance Testing

~~IDTT: Interface and Data Transaction Testing~~



~~MST: Market Scenario Testing~~

## 5.3 Process description

5.3.1 The process for planning, implementing and exiting a Market Re-assurance process is similar to the ~~Path 2~~ Market Entry Assurance process detailed in Section 4 of this CSD.

### Step a: Identification of a Requirement or Potential Requirement for Market Re-assurance ~~Testing~~

5.3.2 If a Trading Party identifies that a change in circumstances is anticipated that may result in the need for Market Re-assurance (with reference to the material change guidance set out above) it shall, wherever possible, notify the Market Operator no less than two (2) months prior to the change in circumstances occurring and will submit ~~a preferred Market Re-assurance Testing Start Date~~ relevant elements of the Market Re-assurance Information Return in accordance with step b below.

5.3.3 If the Market Operator identifies a material change in circumstances that will (or may potentially) require Market Re-assurance, the relevant Trading Party shall be notified by the Market Operator, wherever possible, not less than two (2) months prior to the underlying change in circumstances occurring. The Market Operator shall then request the Trading Party to complete and submit relevant elements of the Market Re-assurance Information Return in accordance with step b below.

5.3.4 If a Trading Party is required to undertake Market Re-assurance as a requirement of a Performance Rectification Plan established in accordance with CSD 0002 (Market Performance Framework), the ~~Market Operator~~ Trading Party shall ~~develop~~ propose a Market Re-assurance Plan to the Market Operator in accordance with the scope and timetable for Market Re-assurance activities agreed in the relevant Performance Rectification Plan.

### Step b: Market Re-assurance Information Return submission

5.3.5 ~~Once a~~ Within two (2) Business Days of a requirement or potential requirement for Market Re-assurance ~~having~~ has been established and notified under step a above, the Market Operator shall request that the Trading Party complete and submit relevant elements of the Market Re-assurance Information Return.

5.3.6 The Trading Party should submit the completed documentation in accordance with any timescales for doing so specified by the Market Operator or specified in a Performance Rectification Plan, where applicable. Where necessary the Market Operator shall contact the Trading Party to clarify its understanding of any of the information provided and/or to seek any missing information.

5.3.7 The information provided in the Market Re-assurance Information Return shall be used by the Market Operator to validate the requirement for Market Re-assurance, ~~and in developing and recommending an appropriately scaled Market Re-assurance process. The stages of the process to be completed by the Trading Party will be agreed between the Applicant and the Market Operator and, to be detailed in the Market Re-assurance Plan (step c below). The information shall also be used by the Market Operator to undertake a Business Solution Assessment, and to specify appropriate testing requirements for Interface and Data Transaction Testing and Market Scenario Testing, to the extent that these are required under the terms of the Market Re-assurance Plan.~~

**Step c: Confirmation of requirement for Market Re-assurance**

~~5.3.8 Following receipt of the completed Market Re-assurance Information Return from a Trading Party, the Market Operator shall confirm, wherever possible, no less than six (6) weeks prior to the change in circumstances occurring, whether Market Re-assurance is required.~~

~~5.3.9 If Market Re-assurance is required, the Market Operator shall develop a Market Re-assurance Plan in accordance with step d below.~~

**Step ~~cd~~ d: Market Re-assurance Plan**

~~5.3.10~~ 5.3.8 At the same time as submitting a Market Re-assurance Information Return, the Trading Party will also submit to the Market Operator a ~~The Market Operator shall produce a draft Market Re-assurance Plan, and send this to the relevant Trading Party for comment.~~

~~5.3.11 Within five (5) Business Days of receipt, the Trading Party shall provide its comments on the assurance methods, stages, timetable and other matters set out in the draft Market Re-assurance Plan to the Market Operator.~~

~~5.3.12 Within ten (10) Business Days of receipt of the Trading Party's comments the Market Operator shall seek to agree a final Market Re-assurance Plan with the Trading Party.~~

~~5.3.135.3.9~~ If the Market Operator and a Trading Party cannot agree a proposed plan, then the Market Operator shall seek the views of the Panel as to what amendments, if any, should be made to the plan. The Market Operator shall include such amendments in the version of the plan ~~that it uses~~ to direct all subsequent steps and activities in the Market Re-assurance process and the Trading Party and Market Operator shall be bound by that plan.

~~5.3.145.3.10~~ If the Trading Party expects to be a Transferee as a result of a Transferor having applied to the Secretary of State for permission to withdraw from an Area in the non-household retail market in accordance with the Exit Regulations, then the Transferee, Market Operator and Panel shall have due regard to this when establishing the Market ~~Entry~~ Re-assurance Plan.

~~5.3.155.3.11~~ In the event that the Trading Party fails to complete any stage within the planned timeframe for the stage, it may be necessary to adjust the plan for subsequent and dependent stages. The Market Operator ~~must agree to any such changes in writing, and~~ will use reasonable endeavours to provide support. However, where this leads to an extension to the overall timetable, the Market Operator's ability to support such changes will be dependent on commitments to other Trading Parties.

~~5.3.165.3.12~~ If the Trading Party is ready to commence a stage early, either because a previous stage was completed sooner than expected, or for other reasons, then the Market Operator shall use reasonable endeavours to accommodate such a change to the plan.

~~5.3.17 The Market Operator shall provide an update at each meeting of the Panel on any new Market Re-assurance Plans agreed since its last meeting and on progress being made against all current Market Re-assurance Plans. In so doing, the Market Operator shall ensure that the plan highlights the following matters:~~

- ~~(a) details of how the proposed plan is risk-based and proportionate, based on the nature of the material change or performance-related trigger; and~~

~~(b) — evidence that the proposed plan is consistent with that applied in respect of similar parties and that there is no discrimination between different Trading Parties or classes of Trading Party~~

**Step d: Confirmation of scope of Market Re-assurance activities**

~~5.3.13 Following receipt of the completed Market Re-assurance Information Return and Market Re-assurance Plan from a Trading Party, the Market Operator shall confirm, within ten (10) Business Days, whether the scope of Market Re-assurance proposed by the Trading Party is appropriate by, subject to the submission being satisfactorily completed, approving the Trading Party's Market Re-assurance Information Return and agreeing the Trading Party's draft Market Re-assurance Plan.~~

**Step e: Market and Interface Training scheduling and delivery**

~~5.3.18 — To the extent applicable and as required under the terms of the relevant Market Re-assurance Plan, the Market Operator shall agree with the Applicant the date for Market and Interface Training after the Market Re-assurance Plan is approved. the Market Operator shall schedule appropriate Market and Interface Training to commence between ten (10) Business Days and twenty (20) Business Days after the date on which the relevant Market Re-assurance Plan was approved.~~

~~5.3.14~~ The Market Operator shall provide Market and Interface Training as specified in the approved plan, plus any additional time that may have been agreed as an Additional Service.

~~5.3.15~~ ~~5.3.15~~ If the Trading Party is proceeding through enhanced Market Re-assurance, it should complete steps e-j below. Trading Parties proceeding through self-certification Market Re-assurance should complete step k below.

**Step f: Business Solution Assessment**

~~5.3.16~~ ~~5.3.16~~ To the extent applicable and as required under the terms of the relevant Market Re-assurance Plan, ~~a Trading Party undergoing enhanced Market Re-assurance shall submit~~ the Market Operator shall schedule and deliver a Business Solution Assessment: in accordance with the timescales in the Market Re-assurance Plan agreed under step c above.

~~5.3.17 The Trading Party shall submit the Business Solution Assessment in accordance with the method described in Section 3 of this CSD.~~

~~5.3.18 Once the Trading Party has submitted the Business Solution Assessment, the Market Operator will assess the information provided. Ten (10) Business Days after receiving the Trading Party's submission, the Market Operator will, subject to the document being satisfactorily completed, confirm approval of the submission to the Trading Party.~~

~~5.3.21 There will be an initial assessment of documentary evidence at the Market Operator's offices. This may be followed by a site visit to gain a clearer understanding of the Trading Party's revised design, incorporating any material changes that triggered Market Re-assurance.~~

~~5.3.22~~ 5.3.19 Key areas of assessment will include:

- ~~(a) The approach the Trading Party has implemented to complete the Business Solution Assessment;~~
- ~~(b) Compliance with the Market Terms;~~
- ~~(c) Compliance with the Business Terms;~~
- ~~(d) Compliance with the Operational Terms; and~~
- ~~(e) Consideration and mitigation of Trading Party specific risks.~~
- ~~(c) Systems architecture;~~
- ~~(d) System functionality vs. business procedures;~~
- ~~(e) Coherence of procedures and systems;~~
- ~~(f) Transaction processing and validation;~~
- ~~(g) Change and configuration management;~~
- ~~(h) Test planning and management; and~~
- ~~(i) Problem management, including correction of data.~~

~~5.3.235.3.20~~ The Business Solution Assessment may include interviews and “walkthrough” exercises to determine whether the Trading Party has a comprehensive and consistent set of systems and processes and an effective change control method to manage them.

~~5.3.245.3.21~~ Any issues identified will be formally documented and the Trading Party will be expected to propose and agree corrective actions. The results of the actions shall then be verified by the Market Operator.

~~5.3.25~~ — An outcome report will be produced on completion of the Business Solution Assessment and thereafter updated on completion of the corrective actions. These reports will be treated as confidential. They may be sent to the Panel to inform them of the progress of the party through the relevant assurance process, in which case the Panel shall also treat these as confidential.

#### **Step g: Market Re-assurance Testing – scheduling and preparation**

~~5.3.265.3.22~~ To the extent applicable and as required under the terms of the relevant Market Re-assurance Plan, the Market Operator shall schedule Market Re-assurance Testing according to the dates agreed with the Trading Party as set out in the Market Re-assurance Plan.

~~5.3.275.3.23~~ The Trading Party and Market Operator shall agree a preferred Testing Start Date for any required Market Re-assurance testing.

~~5.3.24~~ The Trading Party must confirm that any relevant development and internal testing of their systems that will be used for Market Re-assurance testing is complete, within ten (10) Business Days of prior to the preferred Testing Start Date start of testing.

~~5.3.285.3.25~~ Test Plan Pro-forma – at least ten (10) Business Days before the scheduled Testing Start Date, the Applicant must submit a completed Test Plan Pro-forma to the Market Operator, which sets out the proposed test steps and exit conditions for the Applicant Trading Party.

~~5.3.29~~ — Within two (2) Business Days of receipt of the Trading Party confirmation, the Market Operator shall provide a Market Re-assurance Test Specification, which will include a confirmed Testing Start Date, which must remain within ten (10) Business Days of the Trading Party confirmation. Where necessary, the Market

~~Operator shall also enable test transactions to be executed by the Trading Party via the relevant interfaces, as of the Testing Start Date.~~

#### Step h: Market Re-assurance Testing

~~5.3.305.3.26~~ To the extent applicable and as required under the terms of the relevant Market Re-assurance Plan, Market Re-assurance Testing should commence on the Testing Start Date as identified in the Market Re-assurance Plan and should include Interface and Data ~~Transfer-Transaction~~ Testing and Market Scenario Testing.

~~5.3.315.3.27~~ The purpose of Interface and Data Transaction Testing is to gain assurance that the Trading Party can communicate with the Central Systems correctly. Interface and Data ~~Transfer-Transaction~~ Testing is a precursor for Market Scenario Testing and the Market Operator will use a Central Systems test system to carry this out. A successful test will consist of:

- (a) a Data Transaction flow being submitted to and processed by the Central Systems test system, in accordance with the relevant Central Systems security procedures; and
- (b) the reciprocal Data Transaction notification flow(s) being retrieved by the Trading Party's systems, in accordance with the relevant Central Systems security procedures.

~~5.3.325.3.28~~ Market Scenario Testing will be carried out to obtain assurance that a Trading Party is able to carry out those Data Transaction Flows that it will submit to and retrieve from the Central Systems via the Transactional Interface for Trading Parties having a high volume of Data Transactions as specified in CSD 0401 (Transactional Interface for Trading Parties having a high volume of Data Transactions). Successful Market Scenario Testing will consist of the successful submission and retrieval of all Data Transactions ~~—and Data Transaction processing responses that the Trading Party will submit/retrieve via its high volume application.~~

~~5.3.335.3.29~~ Trading Parties will run the tests and will be required to produce appropriate evidence of each test step to support the test outcomes. This will include, but is not limited to, evidence in relation to Data Transactions both sent and received,

relevant screenshots, reports, files and relevant database extracts. Where appropriate the Market Operator shall collect evidence received from and sent to the party during testing.

~~5.3.34~~5.3.30 It is the responsibility of the Trading Party to create their own test scripts for the scenarios, customised to their systems and procedures. ~~–~~The party will collect evidence and forward it to the Market Operator on a step-by-step basis. The Market Operator will assess the evidence as it is received and compare it with expected results. Any discrepancies will be reported by the Market Operator to the Trading Party.

~~5.3.35~~5.3.31 Trading Parties will be required to re-run any tests that have failed. The Market Operator shall, where practicable, discuss re-run options with the Trading Party in order to find a pragmatic way forward (e.g. partly re-run). Issues, follow-up and reporting will be documented and dealt with in the same manner as described in the Business Solution Assessment.

#### Step i: Completion of Market Re-assurance Testing

~~5.3.36~~5.3.32 Any issues identified during testing shall be formally documented and the Trading Party will be expected to propose and agree corrective actions. The results of the actions shall then be verified by the Market Operator.

~~5.3.37~~ ~~On successful completion of the tests (as determined by the Market Operator), the Trading Party shall be required to confirm, by providing a signed declaration to the Market Operator, that it has successfully tested all of the systems that it intends to use for its market operations. The party's declaration shall include an acknowledgement that it will undertake further assurance if it makes changes to its systems or processes in accordance with the Market Terms. Dependent upon the significance of any recommended change by the Market Operator further test evidence may be necessary.~~

~~5.3.38~~5.3.33 In the event that not all tests have been successfully executed it is at the discretion of the Market Operator whether to confirm the successful completion of Market Re-assurance Testing. ~~For example, if a test to retrieve a Data Transaction Notification flow has not been completed, the Market Operator may still confirm the Market Re-assurance Testing as a success as these flows are also retrieved to and displayed using the Transactional Interface for Trading Parties having a low~~



~~volume of Data Transactions as specified in CSD 0402 (Transactional Interface for Trading Parties having a low volume of Data Transactions).~~

5.3.34 A Testing Outcome Report shall be produced on completion of testing and thereafter updated on completion of any corrective actions and further testing. These reports will be treated as confidential. ~~They may be sent to the Panel to inform them of the progress of the Trading Party through the relevant assurance process, in which case the Panel shall also treat these as confidential.~~

**Step j: Systems Declaration**

5.3.35 On successful completion of the tests (as determined by the Market Operator), the Trading Party may be required to confirm, by providing a signed Systems Declaration to the Market Operator, that the systems tested as part of Market Re-assurance Testing are the systems it intends to use in its live operations. The Systems Declaration shall include an acknowledgement that the Trading Party may need to undertake further assurance if it makes changes to its relevant systems or processes in accordance with the Market Terms. Dependent upon the significance of any recommended change by the Market Operator, further test evidence may be necessary.

**Step k: Self-Certification Declaration**

5.3.36 To the extent applicable and as required under the terms of the relevant Market Re-assurance Plan, the Trading Party shall submit a Self-Certification Declaration in accordance with the timescales in the Market Re-assurance Plan agreed under sStep c above, if the Trading Party is proceeding through self-certification Market Re-assurance.

5.3.37 The Trading Party shall submit the Self-Certification Declaration in accordance with the method described in Section 3 of this CSD.

**Step l: Security Return**

5.3.38 At the same time as submitting a Self-Certification Declaration, and to the extent applicable and required under the terms of the relevant Market Re-assurance Plan, the Trading Party shall submit a Security Return in accordance with the timescales in the Market Re-assurance Plan agreed under sStep c above, if the Trading Party is proceeding through self-certification Market Re-assurance.

5.3.39 The Trading Party shall submit the Security Return in accordance with the method described in Section 3 of the CSD.

~~5.3.39~~5.3.40 Once the Trading Party has submitted the Self-Certification Declaration and Security Return, the Market Operator will assess the information provided. Within ten (10) Business Days of receiving the Trading Party's submission or submissions, the Market Operator will, subject to the document(s) being satisfactorily completed, confirm approval of the submission(s) to the Trading Party.

**Step mj: Completion of Market Re-assurance**

~~5.3.40~~5.3.41 Within five (5) Business Days of successful completion of all required Market Re-assurance activities as specified in the relevant approved Market Re-assurance Plan, the Market Operator shall confirm to the Trading Party that its Market Re-assurance process is complete and its Market Entry Assurance Certification remains valid. ~~prepare a Market Re-assurance Outcome Report. The report shall detail the Market Re-assurance activities undertaken and confirm whether the Trading Party has successfully completed these and should therefore exit Market Re-assurance.~~

~~5.3.41~~5.3.42 If the Market Operator is satisfied that the Trading Party has successfully completed Market Re-assurance then no further steps are required.

5.3.43 If Market Re-assurance was required in order to enable the Trading Party to commence use of the high volume interface, then on the same Business Day as the approval of completion of Market Re-assurance, the Market Operator shall provide appropriate access to the Central Systems.

5.3.44 Should, upon review of the Market Re-assurance Information Return or at any point afterwards, the Market Operator believe that the Trading Party's operations will pose an ~~put~~ unacceptable risk to the market or Central Systems at any point during Re-assurance, they will refer the matter to the next meeting of the Panel. The Panel shall consider what controls should be applied as necessary.

~~5.3.42~~5.3.45 The Market Operator may decide to not approve the Trading Party's completion of Market Re-assurance (for example if an error, problem, breach of testing principle or issue of non-compliance with Market Terms or CSDs occurred during

assessment or testing which presents an unacceptable risk to the market). If completion of Market Re-assurance is rejected, then the matter shall be referred to the next meeting of the Panel.

~~5.3.43~~5.3.46 The Panel shall consider what additional steps should be carried out by the Trading Party to facilitate completion of the process. Such additional steps shall be assessed by the Market Operator.

~~5.3.44~~5.3.47 The Market Operator shall continue to monitor the Trading Party's progress against the additional steps that reflects the recommendations of the Panel and will provide feedback to the Panel as part of the reporting process. The Market Operator shall make arrangements with the Trading Party for it to take the additional steps specified with the shortest possible delay, but subject to it not causing disruption to other Trading Parties who are progressing through the Market Re-assurance Process, or other operational activities undertaken by the Market Operator.

~~5.3.45~~ ~~Upon successful completion of any additional steps, a revised Market Re-assurance Outcome Report should be submitted to the Trading Party, confirming completion of Market Re-assurance. A copy of the report shall also be submitted to the Panel for information.~~

## 5.4 Trading Party obligations in support of the Market Re-assurance process

5.4.1 A Trading Party shall comply with the following requirements when subject to the Market Re-assurance process:

- (a) the Trading Party undertakes to be fully prepared for each stage of Market Re-assurance as it takes place. A lack of preparedness is likely to result in a delay to completion of Market Re-assurance;
- (b) the Trading Party is responsible for the quality and preparedness of its plans, business processes, designs and other evidence required as part of the Market Re-assurance process;
- (c) if the Trading Party makes use of the services of a sub-contractor for some or all of its business solution the Trading Party remains responsible in all respects for those services in relation to the Market Re-assurance process;

- (d) the Trading Party must provide the Market Operator with access to ~~all any of the staff and other~~ resources necessary to carry out all the Market Re-assurance activities applicable to it;
- (e) where the Market Operator requires to undertake any work on site at the Trading Party's place(s) of business, the Trading Party is required to provide appropriate business accommodation and facilities, including a private area for occasional use and a connection to the internet;
- (f) all tests executed by the Trading Party as part of, or to provide evidence for, the Market Re-assurance activity must be carried out in an environment closely representing the Trading Party's live environment;
- (g) all tests executed as part of, or to provide evidence for, the Market Re-assurance activity must include all parties that comprise the organisational unit requiring Market Re-assurance. This shall include, where relevant, all of the Trading Party's sub-contractors that, in the live environment, carry out business processes included within the scope of the Market Re-assurance activity;
- (h) the Trading Party shall provide the Market Operator with a copy of all documents and evidence necessary for it to carry out the Market Re-assurance activity. This shall include, but is not limited to, business processes, work instructions, designs for applications, test plans, test results, management processes and associated records; and
- (i) in certain circumstances it may be necessary for the Market Operator's Market Re-assurance activities to be conducted at a location(s) away from its offices outside Great Britain. For example, this may be required if a significant part of the Trading Party's Market Operator-facing operations (business processes and/or systems) are undertaken overseas. Where this is the case, and consequently results in additional costs being incurred in excess of those reasonably expected for an equivalent exercise within Great Britain, the Market Operator shall be entitled to recover such additional costs from the Trading Party. In this event the Market Operator shall agree the level of charges that will be used to determine these costs with the Trading Party in advance of undertaking the relevant assurance activities.

## 5.5 Authority directions

- 5.5.1 The Market Operator, the Panel and a Trading Party shall comply with any direction of the Authority in respect of the application of the Market Re-assurance process and the Wholesale-Retail Code in relation to a specific Trading Party and/or any decision made pursuant to the process in relation to that Trading Party.