



Service Description

Membership, market entry and exit

1 Service overview

A competitive, efficient market must have low barriers to exit as well as entry. MOSL enables competition to evolve by consistently, effectively and efficiently supporting new entrants through the process of satisfying the trading conditions. This enables the market to have confidence in the ability of others to meet their code obligations, whilst enabling all parties to execute their competitive strategies.

To enter the market, the wholesaler or retailer must satisfy the following Trading Conditions ([CSD 0001 Market Entry Assurance and Reassurance](#)), as appropriate:

- Holds an Appointment or a Water Supply and/or Sewerage Licence;
- Has applied to be admitted to trading by completing and delivering an accurate Trading Application to the Market Operator;
- Has completed the Market Entry Assurance process;
- 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;
- Has become a member of the Market Operator; and
- Has entered into an Accession Agreement.

MOSL will support all those seeking to enter the market to undertake the processes necessary to satisfy the trading conditions to enable the market to remain open to new competition and service offerings which will drive better value for money for the end consumer.

Market stability demands that there is a smooth transfer of customers from exiting Trading Parties in the event of a market exit. To exit the market, a Trading Party must inform MOSL of its plans. MOSL provides a structured process to enable market exit under any circumstances, including the orderly transfer of customers as appropriate, to minimise disruption and negative impact to the end-consumer.

2 Service objectives

The key objectives of the membership service are to:

1. Support a competitive market with a 'level-playing-field' by providing a transparent and fair entry process for new entrants, whilst protecting the market from entrants without sufficient capability to operate in accordance with the market codes
2. Build market confidence and reduce Trading Parties' and customers' risk exposure by ensuring that any exit does not cause 'shock' to the market
3. Protect consumers in the market by ensuring all non-household properties are served by a retailer at all times

3 Service deliverables & SLAs

Deliverable	Description	SLA	Code Reference
Maintain list of Trading Parties	A list of Retailers who are eligible to be registered to supply points (including by area) and a list of Wholesalers by area	To be kept up-to-date at all times	Market Terms Section 4.2.10
Publish Annual List	MOSL will publish the list of Opted-In Retailers by Area on the MOSL website	No less than Five Business Days before the start of the year	CSD 0005 – Section 2.5.1
Update and Publish List Within the Year	MOSL will update and publish the list to the MOSL website after any amendment made to the list during the year	Within one Business Day from receipt of notification by MOSL	CSD 0005 – Section 2.5.2

For details of other, associated obligations, Trading Parties should refer to CSDs 0001, 0003, 0004 and 0005 and MOSL’s Articles of Association.

4 MOSL’s expectations of Trading Parties

Market entry and becoming a member

Holding an Appointment or a Water Supply and/or Sewerage Licence (WSSL)

The economic regulator of the water industry, Ofwat, is responsible for granting all licences, both:

- Instruments of Appointment – for operating the public water networks and/or the public wastewater networks; and
- WSSL - for supplying water and sewerage services to eligible non-household premises

A retailer new entrant must have applied for a WSSL with Ofwat prior to submitting a Trading Application to MOSL. For information on licence applications please refer to www.ofwat.gov.uk.

Completing the market entry assurance process (see below) is a prerequisite to being granted a licence by Ofwat.

Submitting a Trading Application and completing the Market entry assurance process

To enter the market, new entrants must first apply for a water supply and sewerage licence (WSSL) and then submit a trading application to MOSL. The trading application initiates the market entry assurance process which provides assurance to MOSL and the market that the applicant has the required capability to operate in the market and meet its market obligations.

Following successful completion of this process, MOSL will grant Market Entry Assurance Certification which is a prerequisite for Ofwat granting a WSSL.

Full details of the market entry assurance process are available at www.mosl.co.uk/market-entry-assurance.

It is the responsibility of Trading Parties to ensure that if their certified capability materially changes that they notify MOSL and undertake re-assurance for any material changes. Full details of the market reassurance process are available at www.mosl.co.uk/market-entry-assurance/market-re-assurance.

Signing wholesale contracts

A retailer must enter into a Wholesale Contract(s) with the wholesaler(s) in relation to the area(s) in which it intends to trade. From the Effective Date of the contract, the obligations under this agreement between the retailer and wholesaler are that:

- The wholesaler will provide wholesale services, either water and sewerage or water only, to the retailer,
- The retailer will provide payment to the wholesaler for the wholesale services, and
- Both the retailer and the wholesaler will be bound by the Wholesale-Retail Code (WRC).

Satisfying this trading condition is not contingent on any other trading condition. Whilst it is ultimately for retailers and wholesalers to decide how they manage this process, MOSL is committed to supporting those wishing to enter the new market and will provide support and advice in order to enable them to organise this process effectively. Those seeking support should discuss this with MOSL during the market entry assurance process.

Becoming a member of MOSL

Applications for membership may be made at any time and there is no limit on the number of members provided they hold the appropriate operating license (see above). Prospective members are requested to complete and submit an application form in order to be considered for membership. A copy of the application form is available on the MOSL website at www.mosl.co.uk/members/membership-application.

Applications will be considered formally by the MOSL Board and prospective members will be notified once membership has been confirmed.

Entering into an Accession Agreement

After market opening, any new entrant seeking to become a Trading Party must enter into an Accession Agreement between itself and the market operator to be bound by the terms of the Market Arrangements Code (MAC). Prior to market opening, those seeking to become Trading Parties will sign the initial Framework Agreement which serves the same purpose.

The arrangements for entering into Accession Agreements are still in development. MOSL will provide further guidance on this process prior to April 2017.

Market exit and ceasing to be a member

Retailers intending to exit the non-household retail market are expected to inform MOSL of their plans, as are retailers who will be acquiring customers through a planned retail exit. Wholesalers who have been granted permission to withdraw from an area by Defra are required to notify MOSL so that ownership of the supply points within CMOS can be transferred in an orderly manner.

Should Trading Parties wish to voluntarily end their membership of MOSL, they should notify MOSL's Company Secretary in writing.

Retailers are expected to notify MOSL if they want to be 'opted-in' to acquire customers upon disorderly exit or through the Direction to Supply process.



Market Operator Services Limited

Registered in England & Wales No: **09276929**

Registered Office: Milton Gate, 60 Chiswell Street, London, EC1Y 4AG.