

market focus

MOSL
MARKET OPERATOR SERVICES LTD

Welcome to our September edition of *Market Focus*, providing a monthly update on MOSL activities and the water retail market.

Planning the next phase of MOSL's journey

Following Sarah's introduction in the June edition of *Market Focus*, she speaks to us about MOSL's work on revising its strategy and enabling us to deliver value to our members in the years to come.

"Since joining MOSL, I have been eager to understand the journey to-date in terms of delivering on our objectives and more so what we have committed to our members and the wider market. I think it's important to ask of ourselves – do we understand the journey that MOSL and the market have been on over the past several years? And do we have a clear picture of where we are today, what is working well and what needs to be improved? Do we have a strong vision for the future in terms of the type of organisation that MOSL needs to be and the role we play in supporting a successful and thriving market?"

With the market now well into its third year, these are some of the key questions that we have been asking.

In building out our vision and plan for next year and beyond, we are keen to ensure that we are reflecting the lessons from the early years of the market and that we are building our plan on an honest assessment of our current position.

I am up front about the challenges we face, but it is vital that we properly understand the role that MOSL needs to play in

the market and how we need to develop and improve in the coming years.

I recognise that the core of what we do needs to be based on being a brilliant market operator, providing the essential services that enable the market to function efficiently and effectively. However, I also recognise that the market must continue to evolve and that there are opportunities for MOSL to play a key role in this, for example, in the way we have committed to leading

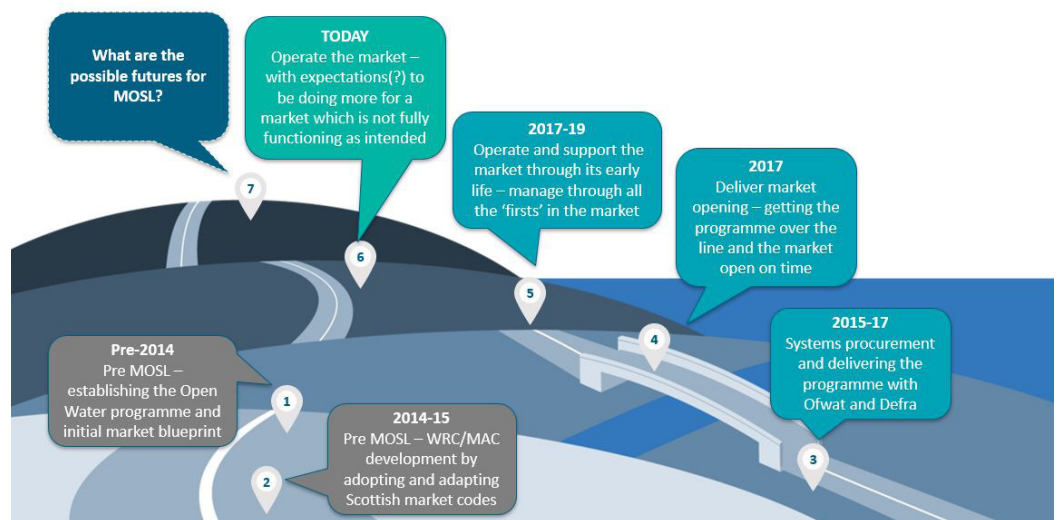
the bilaterals project or driving market improvements.

Our planning over the coming months is looking across these areas – what do we need to do to improve the way we deliver our core services and what further role should we then be playing to support the development of the market.

At the end of October, we will be sharing some of the key outputs of this work with the Panel and looking at how this feeds into the Panel's own strategy review.

I will also be introducing key themes from the strategy with our member Chief Executives at the CEO Forum on 8 November. At this critical point in the market, it is important that we find ways to collaborate and ask difficult questions about what a successful water retail market looks like.

I look forward to sharing our early thinking and hearing feedback from our members, which will further support this work and our focus for the 2020/21 Business Plan."



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Reflections on CGI and MOSL's technology partnership

This month we asked CGI's Director of Consulting Services for Water and Market Services, Beth Grey, to share her views on CMOS, our working relationship and future developments. As MOSL's key account manager and having worked with MOSL on the build and implementation of the central system prior to market opening, Beth has a unique view on the challenges and opportunities available for the continued development of CMOS and the market.

"September 2019 marks the 4th anniversary of MOSL and CGI working together at the heart of the English Water Market. As we are firmly in the third year of the open market, we are just as committed now as we were on day one, to making our partnership stronger and more collaborative, and to drive improvements in the market for the good of its customers.

It is clear 2019 has been a year of change for MOSL; both in terms of location and leadership. That much change is not without challenge, and it is a real credit to both of our teams that through this transition we have been able to manage our levels of service and regular contact.

With a new team in place at

MOSL, we have spent the last couple of months reviewing the work that we do together. This review has helped us to understand what's going well, and where there's room for greater efficiencies in ways of working.

Through a number of workshop sessions, we have identified key areas of improvement, which we hope will shape our future engagement and the services that we deliver to the market. This will further define our working relationship over the next few years and enable the market to realise its vision and deliver better outcomes for customers.

CMOS itself is a systematic representation of the market codes. The codes are big, complicated documents, so it

stands to reason that CMOS is also a little bit complicated! With the market now stable, we have an opportunity to streamline the central system; taking inspiration and learnings from other markets and redeveloping incrementally to minimise user impact. And it is vital that trading parties are a part of this journey.

This work potentially opens up the opportunity to streamline the codes too, to reduce complexity and help remove some of the market friction – but that's an area that CGI doesn't have a hand in.

We're looking forward to supporting MOSL and in turn, its members, to continue enabling this market to evolve and sharing learnings from other central markets which we are involved in



globally.

Having the opportunity, at this stage in the open market, to review and reset our working relationship, opens up a number of possibilities to innovate. We are realistic about the challenges we face, but look forward to working together with MOSL and the market into our 5th year and beyond."

MVI Portal hits three million landmark

This month our Medium Volume Interface (MVI) Portal passed an impressive landmark of three million transactions being sent and received. John Briggs, MOSL's Chief Architect, explains more about the development of the MVI and the benefits it has introduced to trading party transactions.

Why was the MVI Portal designed?

The MVI Portal was designed and implemented by MOSL in Spring 2018 and was intended to support trading parties who use the CMOS Portal to submit transactions by hand. It was recognised that manual data entry into CMOS was both inefficient and was having an impact upon data quality, which the MVI was designed to address.

Delivered through the MO Portal, the MVI provides a simple self-service interface that enables trading parties to upload and submit large batches of transactions using pre-defined

spreadsheet templates. It also provides reports that trading parties can download in multiple formats to assist them with reconciling their submissions.

Has its usage changed since the market has grown?

Since the launch, the number of trading parties using the MVI has risen steadily and includes both retailers and wholesalers of all sizes and types. As the number has increased, so has the number of transactions being sent and received. Whilst the MVI has been used to submit most of the different transaction types, it is most

commonly used for supply point transfer requests, meter reads and bulk updates of supply point and meter attributes.

The MVI now routinely processes in excess of 200,000 transactions per month and this month we passed three million transactions being sent and received, which has significantly exceeded our growth expectations.

What's coming next?

As part of our ongoing development roadmap, MOSL is working on a number of new features and enhancements to the MVI. These enhancements will be released in the early part of 2020 and include additional data validation to provide more immediate feedback on data errors and improved reporting.

Coupled with a revamped MO



Portal, the next release of the MVI will improve the user experience and will play a significant role in improving the quality of the data held in the market.

We will be publishing an updated release schedule ahead of the October CMOS 7.0 release.

Bilaterals update

In recent weeks we have been updating trading parties about the progress of the bilaterals project and carrying out briefing sessions throughout the summer. Here's an update on progress made to date and the establishment of the Bilaterals Steering Group.

Meet the team



Steve Arthur
Project Sponsor



Chris Poulton
Delivery Lead



Fiona Murray
Project Manager



David Elliot-Smith
Business Analyst



Evan Joannette
Market Design
Workstream Lead



Heather-Fiona Egan
Communications Lead

Briefing sessions

By the end of October, MOSL's project team will have met and delivered briefings to 86 per cent of trading parties either through individual meetings or presenting at industry events. These briefings outline the objectives of the project and allow MOSL to gain greater insight into how bilaterals operations work within each trading party and across the market as a whole.

We want to make sure customers are at the heart of developing any potential solution, which is why it is necessary for MOSL to understand the problem at an operational level.

We will be attending the Self Supply Users Forum in Birmingham on 12 September and the Northern Hub in Leeds on 3 October. Trading parties can also dial in to one of our webinars on 14 and 21 October.

If you would like a briefing from the bilaterals project team or to find out more about the webinars, please contact [Fiona Murray](#) or your Portfolio Manager.

Steering Group

Due to the nature and complexity of bilaterals, Ofwat agreed to a bespoke project governance approach. It's hoped this approach will enable decisions associated with the development of a solution to be made more quickly and encourage greater collaboration across wholesalers and retailers.

One of the first actions to support this was the establishment of a project Steering Group. Thank you to all of our members who submitted applications to join the group. We are delighted to confirm the Steering Group will comprise of the following members (see below).

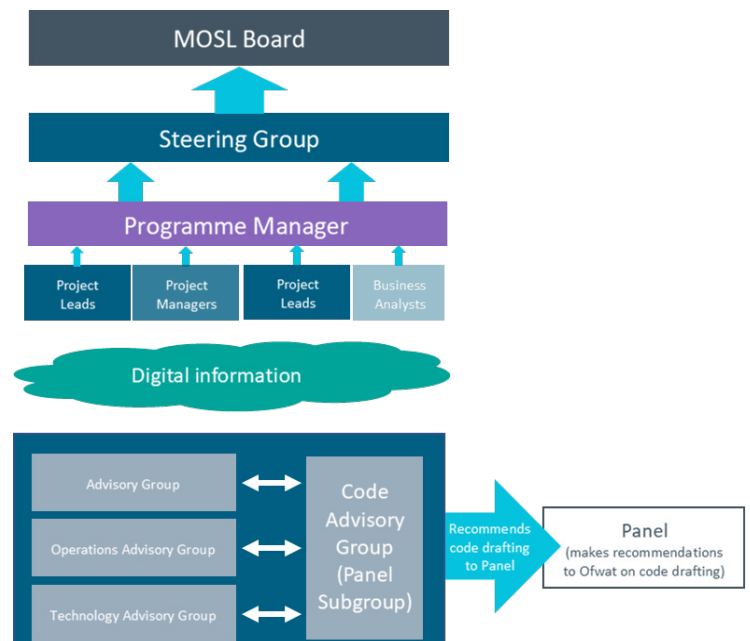
The Steering Group will support the project by providing guidance and direction on behalf of the industry.

The next step for the Panel will be to seek and appoint members of a Code Advisory Group to consider the market code requirements that arise as the bilaterals project progresses.

We will shortly be issuing communications to trading parties regarding upcoming opportunities in this area.

Steering Group members

Chair	Sarah McMath, MOSL
Wholesale representative	Kat Grimley, Thames Water
Retail representative	Paul Baker, Business Stream
Independent representative	John Vinson, JPV Consultancy Ltd
Ofwat representative	Dan Mason, Ofwat
MOSL representatives	Wayne Johncock, Steve Arthur, Simon Orebi Gann



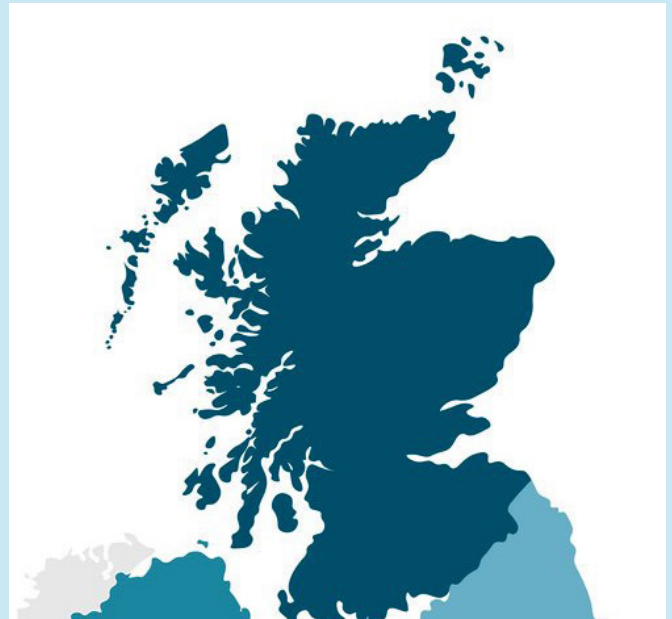
Sarah's northern stakeholder visits

We firmly believe that a collaborative approach is key to driving improvements in the water retail market and are keen to support wider engagement across our diverse membership.

Last week our CEO, Sarah McMath, travelled to Scotland to meet with several of our water company members and key stakeholders in Scotland and the north of England.

The trip provided an opportunity to discuss the opening and key lessons learned from the Scottish Water Market and challenges reflected in the English market. Among the visits, Sarah met with Bob Irvine, the Water Industry Deputy Director of Scottish Government and senior leaders from our water company members – Business Stream, Castle Water, Northumbrian Water and Everflow.

We'd like to thank everyone who hosted MOSL and joined the conversations. We look forward to getting out to meet more of our members over the coming months.



Change proposal updates



This month Ofwat approved the following change proposals:

[CPM016: 'Panel Voting Majorities'](#)

[CPW065: 'Retailer Notifications'](#)

[CPM013: 'Adding the Customer Representative as a Voting Panel Member'](#)

Change proposal CPM016 was implemented on 23 August 2019 and CPM013 will be implemented on 20 September 2019. The system and code change for CPW065 will be implemented in CMOS Release 8.0 on 15 May 2020.

Self supply Users Forum



Today, MOSL's CEO, Sarah McMath, is presenting at the Self Supply Users Forum to share her perspective of the market's key challenges and achievements to-date. She will be talking on MOSL's view of the market moving forward and key areas of focus for 2020/21.

MOSL's Transformation Director, Chris Poulton, is also presenting an update on bilaterals as part of the project's briefing sessions to trading parties.

Both Sarah and Chris will be meeting with self-supply customers and learning from their experiences and unique challenges going through the self-supply proposition.

CMOS transactions (all interactions by trading parties e.g. switches, meter readings etc)

August total
2,714,347

from the 856,153 total, approximately

21% = trading parties

79% = system-automated transactions

Diary dates

Here are some key events coming up over the next month.



Sept - Oct	Bilaterals briefings	24 September	The Panel
17 September	Credit Committee	25 September	Market Performance Committee
19 September	User Forum	26 September	Retail User Forum

News in brief



User Forum

The User Forum has returned after the summer break, with the next meeting being held on Thursday 19 September at the Doubletree by Hilton Hotel in Leeds City Centre. For more information, including the meeting's agenda, please visit the event page on the MOSL website.

The Water Report Interview

This week, Karma Loveday, editor of The Water Report, will be interviewing Sarah McMath in her first profile interview as Chief Executive of MOSL. Sarah will be talking through the high-level overview of our strategy work and early thinking on business planning for 2020/21. As MOSL's new CEO, she will also be sharing her early reflections on the role and her views on key MOSL workstreams including market improvement activities, market incentives and bilaterals.

Industry Events

With conference season upon us we will be attending and speaking at a number of industry events over the next couple of months. Watch out for MOSL CEO, Sarah McMath, who joins a customer Panel at the Utility Week Congress 2019 and is presenting on 'Building a cost efficient, stable non-household water market' at the Future of Utilities: Water 2019 Conference on 20 November.

A **UtilityWeek** event

I AM SPEAKING AT

**UTILITY WEEK
CONGRESS 2019**
8-9 OCTOBER 2019 | BIRMINGHAM



Sarah McMath, Chief executive, **MOSL**

We welcome your comments and suggestions on the content of the monthly *Market Focus* update. Please email the [MOSL Communications Inbox](#) with any feedback.