

MOSL Water Retail Market Toolbox Talk #6 Market and Operational Performance Standards

The Market Operator, MOSL, sets Service Level Agreements (SLAs) for Wholesalers (the water companies) and Retailers (the sellers of water services) across several documents known as the Market Codes.

Performance against these SLAs may be reported publicly, and some can incur a financial penalty if the targets are not met. The SLAs are included in either the Market Performance Standards (MPS) or Operational Performance Standards (OPS).

Market Performance Standards are benchmarks that assess the performance of Trading Parties in key market processes.

Operational Performance Standards outline the expected levels of performance for Wholesalers, detailing their obligations and the services they must provide as part of the Operational Terms.

Financial penalties collected by MOSL are currently used to fund improvements in the non-household market via the Market Improvement Fund (MIF), with the remainder redistributed to trading parties each year.

Why does MPS and OPS Performance matter?

MPS and OPS performance is reported on the MOSL website using [interactive dashboards](#). The dashboards allow companies' performances to be compared to each other, which encourages the market to improve against these market activities.

MPS and OPS standards also form part of the Holistic Peer Comparison Reports, which measure and compare overall company performance in the non-household market. If Wholesalers and Retailers underperform compared to their peers, or compared to set performance threshold levels in the holistic reporting, they can be subjected to performance monitoring and may be flagged as a concern to market committees and the water regulator, Ofwat, in certain cases.

Nb: The framework determining the measurement of performance in the market is currently under review, and a new Market Performance Framework (MPF) is planned to go live from April 2025.

What do Wholesalers and Retailers incur MPS financial penalties for?

There are currently 19 MPS standards (SLAs), most of which relate to actions taken in the Central Market Operating System (CMOS), which is where different market transactions take place, such as uploading meter readings or accepting new supply points (water or sewerage sites). The remaining SLAs relate to taking meter readings within a specific timeframe.

What do Wholesalers incur OPS financial penalties for?

There are also 14 OPS standards (SLAs). They relate to actions taken within and outside of the Bilateral Hub, which is where Retailers and Wholesalers initiate transactions that require both companies to work together, such as repairing and installing meters, connecting gap sites, and supply disconnections.

Completing these MPS and OPS activities within the set SLAs is important as these key activities aim to ensure the best outcomes for customers.

