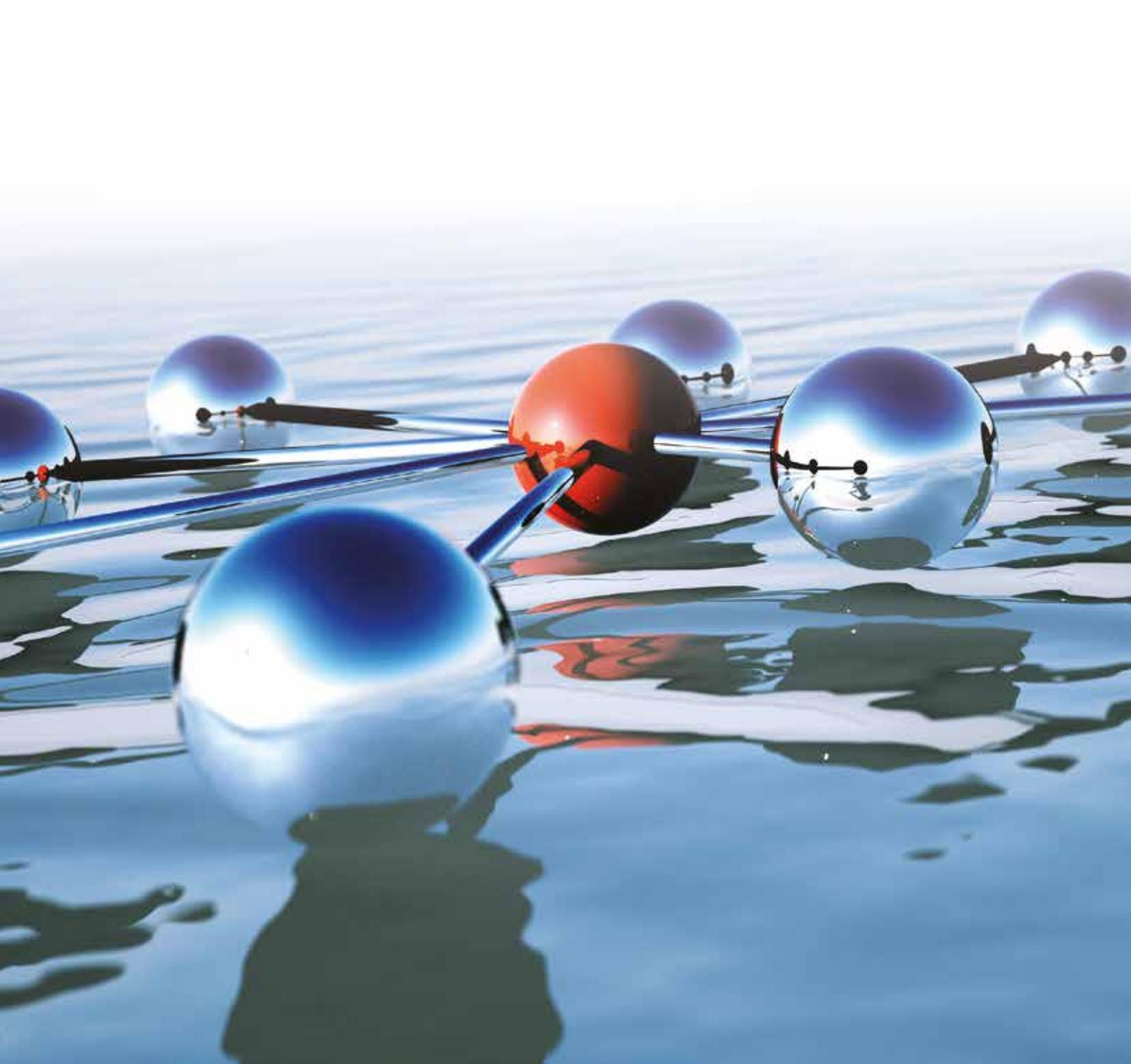
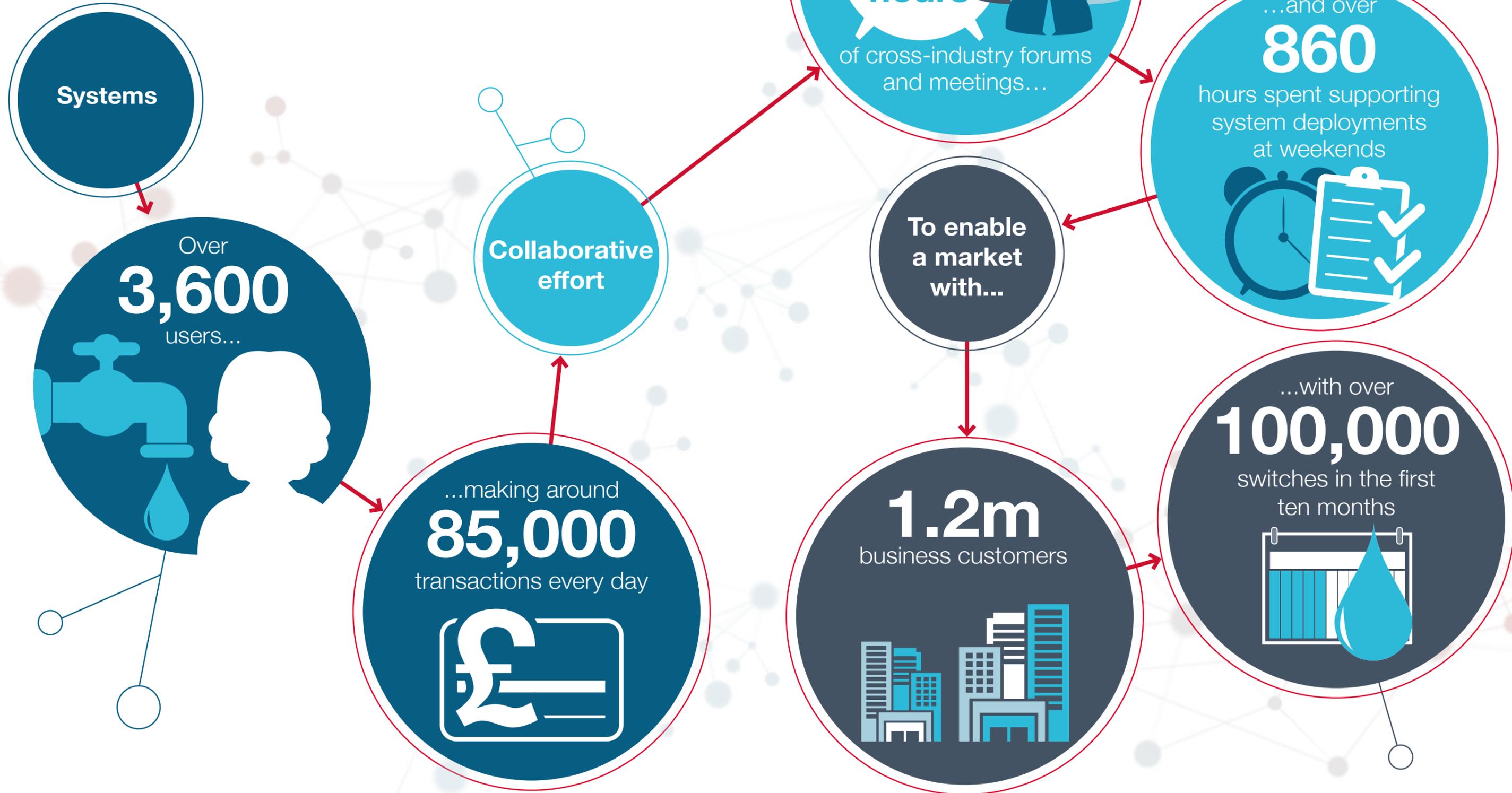


# Enabling a **competitive water market**

Our journey to create the IT system for the non-household retail water market



# The statistics of success



# Benefits of the competitive market

Water efficiency and cost savings

Improved customer services

New and innovative service offerings

## Making waves in the new non-household retail water market

When the Government decided to introduce competition into the English non-household water market, it was the most dramatic change the sector had seen since privatisation in 1989.

The new market means that 1.2 million business customers, from the smallest charities to the largest public authorities, are now able to choose their retailer of water and wastewater services. As well as being able to choose the best deal to suit them, customers will reap benefits from the new competitive market in the form of water efficiency and cost savings, improved customer services and new and innovative service offerings. Household customers, whilst not yet having the ability to choose their retailer should also see some knock-on benefits of these improvements and innovations.

The Government set a deadline of 1 April 2017 for the grand opening. On this day, all companies preparing to operate in the market, wholesalers and retailers, needed to have their people, processes and systems ready to go. But, before this could happen, the water sector needed one key ingredient — an IT system that would facilitate the entire process.

This IT system would be called the Central Market Operating System (CMOS). Its purpose, to allow water companies to participate and succeed in the competitive market.



**MOSL needed to work with a company it could trust to get the work done quickly and efficiently**

## Tackling an ambitious task

MOSL is the market operator of the non-household retail water market, providing infrastructure, information and governance services to enable customers to switch retailer and for settlement to take place between wholesalers and retailers.

MOSL was created in mid-2015, just under two years prior to the deadline for market opening, and just over one year from the opening of the Shadow Market, a mechanism to test and build confidence in the new market's systems and processes.

MOSL's role, as part of the Open Water programme set up by Government to open the water retail market, was to design, build and implement the central IT systems at the heart of the new market and to support the finalisation of the market codes by the Interim Code Panel. As an organisation that works on behalf of, and is funded by, its water company members, MOSL also played an important role in supporting the water companies' preparations to ensure that the market could open on time. Considering the challenging timescales, the task was ambitious to say the least.

To create the CMOS, MOSL needed to employ an expert partner with experience and credibility in both its solutions and its people — so it put the work out for tender via a competitive process that attracted a range of large organisations all keen to be part of this ground-breaking project.

MOSL needed to work with a company it could trust to get the work done quickly and efficiently. Deadlines were tight, and the date of market opening was set in stone. CGI had decades of experience of working in the utilities sector and in building and running utility market systems across the world, including being part of the team that helped open the Scottish water market in 2008, and as the company behind the data systems at the heart of the UK smart metering implementation programme.

CGI also brought pre-existing technology used to support other competitive utility markets. This meant that it was able to hit the ground running and avoid having to build a system from scratch. Taking account of this experience and capability, MOSL decided to bring CGI on board as its technology partner.

Just because CGI was well-placed to complete the CMOS, this didn't mean that it was a project without challenges. The first and certainly most pressing challenge that CGI had to overcome was the tight timescale.

Work started on the CMOS on 30 September 2015. MOSL needed a working system by the start of shadow operations in October 2016, followed by a fully functioning, finished system in time for the opening of the live market on 1 April 2017. This meant that CGI needed, in effect, to design, build and deploy a working system to the whole industry in just over a year — no simple task when you look at the scale and complexity of what was involved.



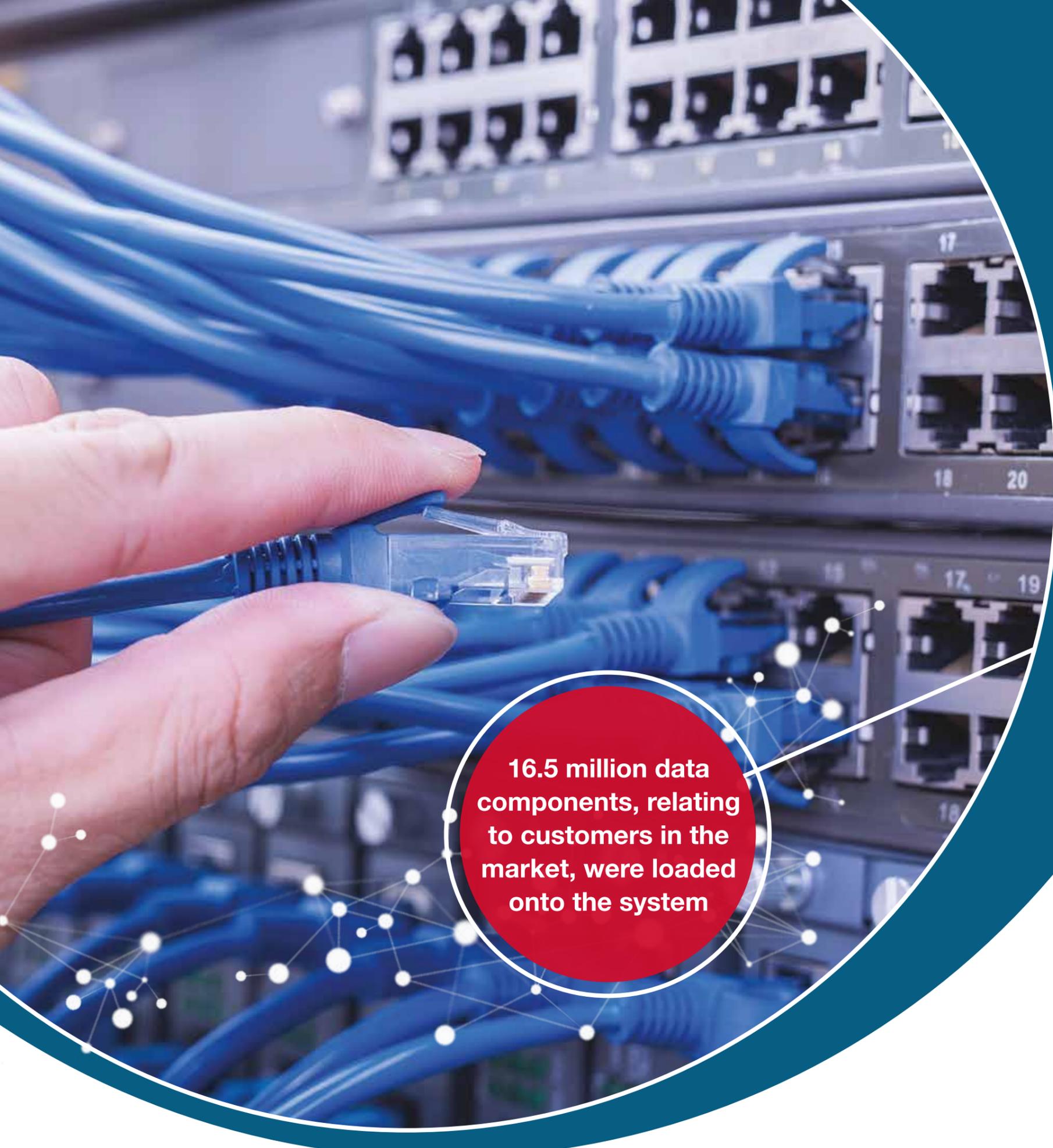
## A project with collaboration at its heart

Much of this complexity was down to the collaborative nature of the project. Put simply, you could not build the CMOS in isolation.

It required involvement from many stakeholders and a vast amount of communication, collaboration and coordination — all of which was directed by, and dependent on, both MOSL and CGI.

To support this collaboration, MOSL set up regular meetings and forums with its water company members — nearly 480 hours' worth to be exact up to present day. The ability for CGI and MOSL to collaborate closely was equally important. That's why CGI's offices were frequently the chosen venue for MOSL's meetings with its water company members. Meanwhile MOSL HQ was the permanent base for a number of CGI staff working on the system. MOSL employees have so far given up over 860 hours of their weekends to support CGI with system deployments.

**The commitment and determination of all stakeholders on this project was exemplary**



**16.5 million data components, relating to customers in the market, were loaded onto the system**

## Tough challenges, innovative solutions

In total, 30 water companies needed to prepare their systems to integrate with the CMOS, and if just one wasn't ready by the deadline, the market wouldn't be able to open.

It was CGI's role to create the specifications for the water companies to work from, and train those companies in how to work within the system. Done well, this would result in water companies building faith in their own implementation programmes and providing confidence for them to test effectively.

CGI's innovative solution was to give the water companies early visibility of the system via 'sandpit' test environments. This helped them to implement their own systems in parallel with CMOS and gave them confidence that their data and interfaces would work correctly with the final live environment. In this sense, the overall technical platforms (MOSL and the water companies') moved forward together and in parallel, providing less risk of gaps being discovered in the final stages of the programme delivery.

CGI also supported the loading of data onto the system. This included around 16.5 million data components relating to customers in the market, including premises, meter readings and information on service components that were loaded into CMOS before the opening of the Shadow Market. This data was provided by water companies and uploaded with support from CGI acting as MOSL's data partner.

# The measure of success

CGI succeeded in delivering a working system for the opening of shadow operations in October 2016, both on time and within budget.

The full market then opened successfully on 1 April 2017 with non-household customers able to choose their water retailer for the first time — and able to negotiate a better price for a better service as well as benefiting from water efficiency savings and new and innovative service propositions.

CMOS now underpins the operation of the market. As well as holding essential data components relating to customers in the market, it also calculates charges based on customers' water consumption and therefore the money owing from retailers to wholesalers, and from retailers and wholesalers to MOSL.

Every day it is processing on average 85,000 transactions made by more than 3,600 (active) system users from 64 different organisations. It has already enabled over 100,000 switches, with more to come. In a sense, it is the heartbeat of the new market.

CGI will continue to work with MOSL and manage the CMOS until at least March 2020, to ensure the market operation is as efficient and effective as possible. This means continually developing fresh ideas and innovation to make sure the open market remains a success.

“ Getting to market opening required a tremendous effort from all involved: the water companies, CGI, MOSL and its Open Water programme partners Ofwat and Defra. It is still early days, but we have already seen some encouraging developments in the new market, with over 100,000 water and sewerage switches and customers of all sizes taking advantage of the opportunity to switch supplier. Of course, there's still much to do to ensure that the market operates efficiently and delivers for end customers, and CMOS has a key role to play as part of that, such as through enabling us to deliver real-time performance data to see where there is room for improvement, or by improving data quality which is essential for smooth market operations. ”

**MOSL Chief Executive  
Chris Scoggins**

“ CMOS is fundamental for the effective operation of the UK water market: it is the key that unlocks the benefits of competition. Successfully delivering a system with the scale and complexity of the CMOS against a tight timeframe required a technology partner with deep expertise of the sector, a proven ability to orchestrate many stakeholders and the right team of experienced people. As a company that has been at the heart of the UK's utilities sector since privatisation, CGI has built up these capabilities over several decades. It's this level of commitment that enabled us to design, build and deploy CMOS in just over a year. MOSL can call on those same strengths to enable the market as it evolves in the years to come. ”

**CGI UK President  
Tara McGeehan**

## About MOSL

MOSL is the market operator of the non-household retail water market, which opened on 1 April 2017. We are owned by all the water companies, both wholesalers and retailers, who trade in the competitive market.

Our role as market operator is to provide infrastructure, information and governance services to enable customers to switch retailer and for settlement to take place between wholesalers and retailers.

Working closely with our water company members and stakeholders, we look for opportunities to improve and evolve the market for the benefit of non-household customers.

MOSL was established in 2015 to assist with the preparations to open the new market. In the lead up to market opening, our primary responsibilities were to design, build and implement the central IT systems at the heart of the new market and to support the finalisation of the market codes by the Interim Code Panel. We also played an important role in supporting water companies' preparations to ensure that the market could open on time.



## About CGI



Founded in 1976, CGI is one of the world's largest IT and business process services providers, helping clients across the globe transform their businesses into digital enterprises.

CGI is a pioneer of technological innovation in the utilities sector with decades of experience in the electricity, gas and water sectors and nearly 6,000 members worldwide providing the solutions to transform the operations, improve the customer experience and drive cost-efficiencies to utilities clients across the globe.

We partner with eight of the ten largest utilities in Europe and North America and have more than 250 clients globally. We designed and built 12 of the 18 central utility market systems in the world, leading the market in the provision of the technology that enables utility markets to operate effectively.

In the UK, we designed, built and continue to operate the BSC Settlement systems for ELEXON; the data systems on behalf of the Data Communication Company (DCC) at the heart of Britain's smart metering implementation programme; and the central market system for Market Operator Services Ltd (MOSL) to support the operation of the non-household English water market.

CGI has been at the heart of every major change in Britain's energy market since privatisation and brought technological innovation to the UK water sector for over 30 years.



**MOSL**

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