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Centre City Tower, 7 Hill Street, Birmingham B5 4UA  
21 Bloomsbury Street, London WC1B 3HF

By email to wholesalers and retailers

20 February 2017

## **Meeting of the Original Parties to sign the MAC Framework Agreement**

From April 2017 eligible business, public sector and charity customers in England will be able to choose their water and wastewater retailer.

On Wednesday 8 March 2017 Ofwat will be holding an event at which appointed water and wastewater companies and water supply and sewerage licensees together with the Market Operator (MO) ('Original Parties') will sign the Market Arrangements Code Framework Agreement.

The Market Arrangements Code (MAC) is a non-statutory code issued by Ofwat pursuant to conditions in Water Supply and Sewerage Licences (WSSLs) and Instruments of Appointment. It sets up arrangements for how the retail market will operate, including the setting up of a panel to help oversee the codes and any changes to these. When the MAC condition comes into force at Market Opening, it will place an obligation on Licensees and Appointees to establish the MO to administer the market and to become members of the MO.

The Framework Agreement is the contract document signed by the Original Parties to the MAC under which they all accede to the MAC and under which the MAC becomes binding and enforceable between all wholesalers, retailers and the MO.

All Licensees and Appointees intending to participate in the retail market after Market Opening are required either to sign the Framework Agreement or an Accession Agreement.

I enclose:

- further details about the event;
- a list of the Original Parties and their allocated time for signing the MAC framework agreement;
- directions and a map of the venue; and
- a form for you to confirm your attendance at the event. Please complete and return it to Dan Mason at [Daniel.Mason@ofwat.gsi.gov.uk](mailto:Daniel.Mason@ofwat.gsi.gov.uk) by 17:00 on Tuesday 28 February 2017.

If you have any queries please feel free to contact Dan by email or by telephone on 0121 644 7629.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Adam Cooper', with a long horizontal flourish extending to the right.

**Adam Cooper**  
**Director, Retail Market Opening**

## **Further details of the event**

### **Where will the signing take place?**

The event will take place at the offices of Maclay Murray & Spens LLP at One London Wall, London EC2Y 5AB (near the Museum of London).

### **What is the Market Arrangements Code?**

The Market Arrangements Code (MAC) is a non-statutory code issued by Ofwat pursuant to conditions in Water Supply and Sewerage Licences (WSSLs) and Instruments of Appointment. It sets up arrangements for how the retail market will operate, including the setting up of a panel to help oversee the codes and any changes to these. When the MAC condition comes into force at Market Opening, it will place an obligation on Licensees and Appointees to establish the MO to administer the market and to become members of the MO.

### **What is the Framework Agreement?**

The Framework Agreement is the contract document signed by the original parties to the MAC (the 'Original Parties') under which they all accede to the MAC and under which the MAC becomes binding and enforceable between all wholesalers, retailers and the MO. The form of the Framework Agreement is included in the MAC at Schedule 2. The final version of the [MAC](#) was published on Friday 17 February 2017.

### **Who are the Original Parties?**

The Original Parties are the MO and all participants who hold on 8 March 2017 an Instrument of Appointment or a WSSL which includes the MAC Condition which will be brought into effect at Market Opening. The Original Parties are listed in Column A of the table attached to this letter.

### **Who should attend on behalf of an Original Party?**

Every Original Party including the MO must be represented at the meeting by a person who is authorised to sign the Framework Agreement on behalf of that Original Party. The same person may be authorised to sign on behalf of more than one Original Party.

### **When should I attend to sign the Framework Agreement?**

Each of the Licensees and Appointees listed as Original Parties in Column A in the table enclosed in this letter is required to sign the Framework Agreement and has been allocated a slot to do so, which is specified in Column C. Please aim to arrive 15 minutes prior to your allocated slot to avoid delays. Refreshments will be made available on the day.

### **Does the signatory have to bring anything with them?**

The person attending to sign on behalf of an Original Party will have to have been granted authority to do so, and to bind the Original Party, and will be required to evidence this. This authority is most likely to be in the form of a Board Resolution but this will depend on the constitutional requirements of each Original Party.

With so many Appointees and Licensees in the same place, we recognise that you may wish to take the opportunity to sign other bilateral documents such as wholesale contracts. You are welcome to do so, and space will be available for this purpose. If you are planning on signing other documents, please ensure that the signatory brings any necessary documents as there will not be printing available in the signing venue. Please also ensure that the signatory has the authority to enter into these additional agreements on behalf of the relevant Licensee or Appointee.

### **What if nobody can attend on behalf of an Original Party?**

If nobody can attend to sign the Framework Agreement on behalf of an Appointee or Licensee, that Appointee or Licensee will be required to sign an Accession Agreement as soon as practicable after 8 March 2017 (and in any event prior to 1 April 2017 if it wishes to trade from Market Opening). It will not be classed as an Original Party.

### **What about future holders of Appointments or WSSLs?**

Appointees and Licensees which are not included in the list of Original Parties on 8 March 2017 will accede to the Framework Agreement by way of an Accession Agreement. They are required to sign an Accession Agreement under the MAC Condition in their Instrument of Appointment or WSSL prior to participation in the retail market.

## List of Original Parties and signing times

<b>Column A Original Parties</b>	<b>Column B Type of party</b>	<b>Column C Signing time</b>
Anglian Water Business (National) Limited	WSSL Licensee	12:00
Affinity for Business (Retail) Limited	WSSL Licensee	12:00
Affinity Water	Appointed Undertaker (Regional Water Company)	12:00
Albion Eco Limited	Appointed Undertaker (NAV)	12:00
Albion Water Limited	Appointed Undertaker (NAV)	12:00
Anglian Water Services Limited	Appointed Undertaker (Regional Water and Sewerage Company)	12:15
Bristol Water Plc	Appointed Undertaker (Regional Water Company)	12:15
Castle Water Limited	WSSL Licensee	12:15
Cholderton and District Water Company Limited	Appointed Undertaker (Regional Water Company)	12:15
Clear Business Water Limited	WSSL Licensee	12:15
Cobalt Water Limited	WSSL Licensee	12:30
Dee Valley Water Plc	Appointed Undertaker (Regional Water Company)	12:30
Dwr Cymru Cyfyngedig (Welsh Water)	Appointed Undertaker (Regional Water and Sewerage Company)	12:30
Icosa Water Limited	Appointed Undertaker (NAV)	12:30
Independent Water Networks Limited	Appointed Undertaker (NAV)	12:30
Invicta Water Limited	WSSL Licensee (pending)	12:45
Northumbrian Water Limited	Appointed Undertaker (Regional Water and Sewerage Company)	12:45
NWG Business Limited	WSSL Licensee	12:45
Peel Water Networks Limited	Appointed Undertaker (NAV)	12:45
Pennon Water Services Limited	WSSL Licensee	12:45
Portsmouth Water Limited	Appointed Undertaker (Regional Water Company)	13:00
Regent Water Limited	WSSL Licensee (pending)	13:00
Scottish Water Business Stream Limited	WSSL Licensee	13:00
Severn Trent Services (Water and Sewerage) Limited	Appointed Undertaker (NAV)	13:00
Severn Trent Water Limited	Appointed Undertaker (Regional Water and Sewerage Company)	13:00

South East Water Limited	WSSL Licensee	13:15
South East Water Limited	Appointed Undertaker (Regional Water Company)	13:15
South Staffordshire Water Plc	Appointed Undertaker (Regional Water Company)	13:15
South West Water Limited	Appointed Undertaker (Regional Water and Sewerage Company)	13:15
Southern Water Services Limited	Appointed Undertaker (Regional Water and Sewerage Company)	13:15
SSE Water Limited	Appointed Undertaker (NAV)	13:30
SSWB Limited	WSSL Licensee	13:30
Sutton and East Surrey Water Plc	Appointed Undertaker (Regional Water Company)	13:30
Sutton and East Surrey Water Services Limited	WSSL Licensee	13:30
Thames Water Commercial Services Limited	WSSL Licensee	13:30
Thames Water Utilities Limited	Appointed Undertaker (Regional Water and Sewerage Company)	13:45
The Water Retail Company Limited	WSSL Licensee (pending)	13:45
Three Sixty Water Limited	WSSL Licensee	13:45
United Utilities Water Limited	Appointed Undertaker (Regional Water and Sewerage Company)	13:45
Veolia Water Projects Limited	Appointed Undertaker (NAV)	13:45
Veolia Water Retail (UK) Limited	WSSL Licensee (pending)	14:00
Water 2 Business Limited	WSSL Licensee	14:00
Water Plus Limited	WSSL Licensee	14:00
Water Plus Select Limited	WSSL Licensee	14:00
Waterscan Limited	WSSL Licensee	14:00
Wessex Water Services Limited	Appointed Undertaker (Regional Water and Sewerage Company)	14:15
Yorkshire Water Services Limited	Appointed Undertaker (Regional Water and Sewerage Company)	14:15

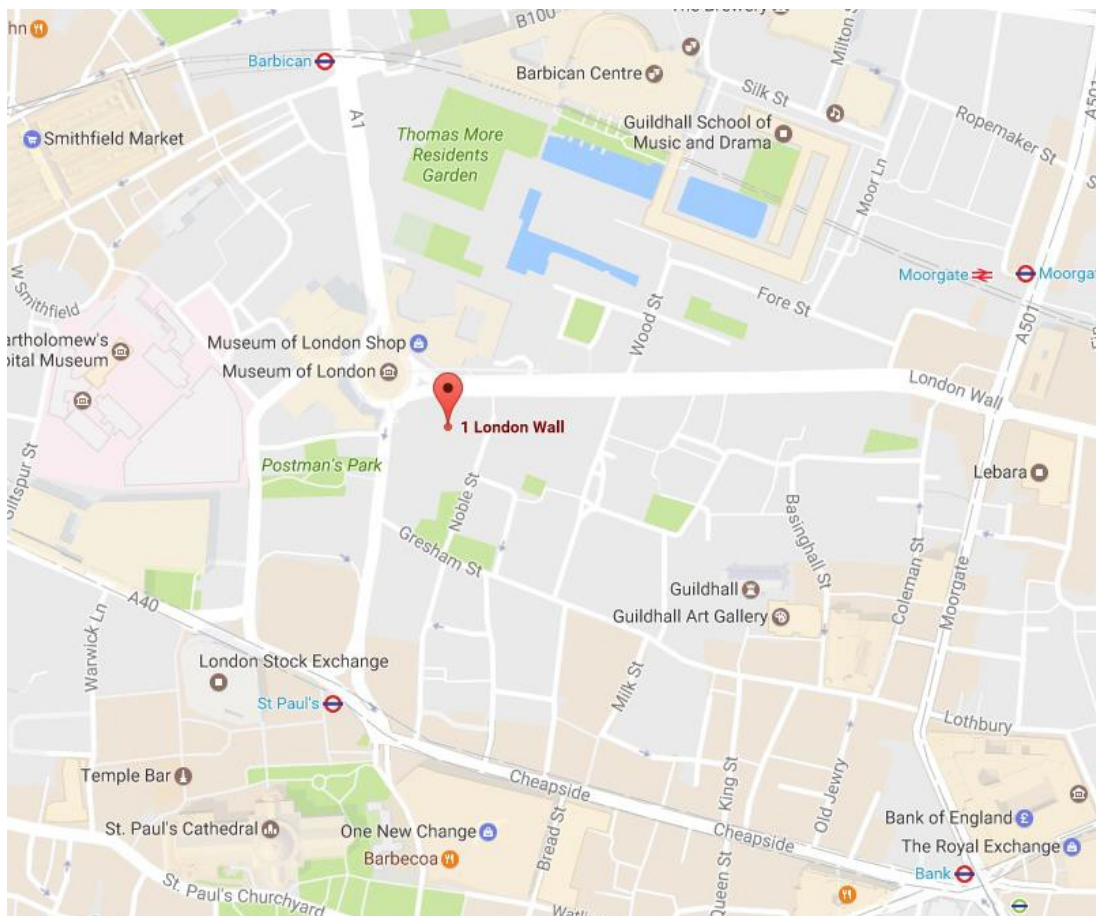
## Directions to the event

The meeting will take place at the offices of Maclay Murray & Spens LLP at One London Wall, London EC2Y 5AB (near the Museum of London).

The building can be accessed easily from any of the following three tube stations.

- Barbican – Exit onto Aldersgate and head south, turn left onto London Wall past Museum of London. The office is located on the right hand corner.
- Moorgate – Exit onto Moorgate and head south, turn right onto London Wall and continue for approx. 5 minutes. The office is located on the left hand side.
- St Paul's – Exit onto St Martin's Le Grand, head north, turn right onto London Wall. The office is on the corner on the right.

Please report to the building reception (at the top of the escalator). They will provide you with a temporary pass to get through the barrier to the lifts. The offices of Maclay Murray & Spens LLP are on the 12th floor.



## Attendance Form

**We [will/will not] attend the Signing Day event on 8 March 2017.**

**If you are NOT attending, please provide reasons:**

Information needed	Your details
Name of Licensee or Appointee	
Name of person returning this form on behalf of the Licensee or Appointee	
Contact details of person returning this form on behalf of the Licensee or Appointee (telephone number and email address)	
Name of person who will be attending the meeting on behalf of the Licensee or Appointee	
Contact details of person who will be attending the meeting on behalf of the Licensee or Appointee (telephone number and email address)	
Will this person be representing more than one Licensee or Appointee? If yes, please confirm the name(s) of any additional Licensees or Appointees represented by this person.	
If not attending signing day, details of person to whom Accession Agreement should be sent	

Please complete this form and return it by email to Dan Mason at [Daniel.Mason@ofwat.gsi.gov.uk](mailto:Daniel.Mason@ofwat.gsi.gov.uk) by 1700 on Tuesday 28 February 2017.



## **FAQs – added 2 March 2017**

These FAQs have been added to this document as we have received queries as to some of the logistics of the day, as well as some more technical questions around the execution of the MAC Framework Agreement.

### **What exactly are we signing?**

You will be signing the MAC Framework Agreement which is included as Schedule 2 to the MAC. The Framework Agreement is the agreement whereby market participants as the Original Parties become parties to the MAC and the MAC becomes binding and enforceable between wholesalers, retailers and the MO. All market participants must be a party to the MAC in order to comply with their licence and appointment conditions.

### **Will I be signing two copies of the MAC Framework Agreement, and will I be able to take a copy away with me on the day?**

The Original Parties will sign a single original document and will be provided with a conformed copy of this document for their records, as soon as practicable after 8th March.

### **What if we are unable to send a representative to the MAC Framework Agreement signing day?**

If you are unable to send a representative to the MAC Framework Agreement signing day then you will need to enter into an Accession Agreement with the Market Operator after the signing day but prior to market opening, in order to comply with your licence or appointment conditions.

### **Do we need to bring our own copy of the completed MAC Framework Agreement to sign? Should it be a bound copy of all 171 pages of the MAC, or will we just be signing a bound copy of pages 111 to 117?**

Ofwat will prepare the single document to be signed. You do not need to prepare a copy.

### **Should page 115 of the MAC be interpreted as saying instead of "Market Operator" saying "[insert name of Original Party Market Operator]"**

The MAC Framework Agreement will be signed by the Original Parties (which term includes the Market Operator), and the signature blocks in the document will refer to each Party by name. The company name of the Market Operator will be inserted after the words "Market Operator" and the name of each other Original Party will replace the words "[insert name of Original Party]"

**Should the letter from A Cooper of 20 February not list Market Operator services Limited in the "List of Original Parties and signing times"?**

**Representatives of both our wholesale and retail business will each be attending the Original Parties meeting to sign the MAC Framework Agreement. Can you confirm whether separate MAC Framework Agreements will be provided for the wholesale part and retail part of the business?**

The Market Operator will be the first Party to sign the Agreement and has been allocated a slot in the morning of 8th March to do this. Each of the Original Parties (appointees and licensees) will sign a single original document. Where the retail business is not a licensee (i.e. it remains part of an integrated appointee), that appointee will only sign once.

**On Page 116 of the MAC, it says "Signatory at ....." I presume this is where the registered name of the Original Party is inserted? Should it not say "of" instead of "at"?**

This text is unnecessary and will be removed from the execution page of the MAC.

**Will the "Schedule" on page 117 be completed before the signing event and provided pre-bound into the document we will be signing?**

As it is not possible to be absolutely certain of those who will sign as the Original Parties in advance of 8th March, this schedule can only be confirmed on the signing day. It will be provided to the Original Parties as soon as practicable after 8th March.

**Will MOSL be signing all 47 individual copies of the FA, or will they sign just one?**

All Original Parties will be signing a single document.

**Are we able to bring anyone other than the authorised signatories e.g. to manage the signing of any outstanding bilateral Wholesale Retail Contracts?**

You can bring other attendees but for security purposes, you must let us know in advance the names of the individuals that will be attending.

If there are any queries that are not adequately addressed in this document, or you have any further questions about the day, please contact Dan Mason on 0121 644 7629 or via email at [Daniel.Mason@ofwat.gsi.gov.uk](mailto:Daniel.Mason@ofwat.gsi.gov.uk)