
29 March 2017

Retail Market Opening – Date Determination

The Water Act 2014 (WA14) will allow all eligible business customers to choose their supplier of water and wastewater retail services from 1 April 2017. Opening the expanded business retail market requires new systems, licences, rules and processes to enable eligible business and other non-household customers to engage with the market, and for new retailers to enter the market. These licenses, rules, codes and processes have been developed as part of the new [legal and regulatory framework](#).

A number of documents issued by Ofwat have made reference to the “retail market opening date” or the “go live date” whereby some of these new licences, rules and codes come into effect. Until now, these definitions did not specify a date. Instead, each defined these dates by reference to a determination either by the Secretary of State or the Authority – the latter to be made once a date for market opening was formally announced by the Secretary of State.

We are now in a position where the Secretary of State has publicly stated that 1 April 2017 will be the day on which the market opens. This means that, for those documents where the date was for the Secretary of State to decide (the Wholesale-Retail Code and Retail Exit Code), the definition of “go live” is informed by the Secretary of State’s statement.

For those documents which referred to a date which was for the Authority to determine, we have today published the “Date Determination Document” (DDD). Amongst other things, the DDD determines 1 April 2017 as the retail market opening date, the go live date, or the effective date for the following:

- **Changes to undertakers’ Instruments of Appointment to come into effect**
 - The changes necessary for market opening made by section 55 notices which referred to the effective date for these changes as being the retail market opening date.

- **Condition R2 of the Instruments of Appointment to cease to have effect**
 - Condition R2 (the market readiness condition), which contains a “sunset clause” that states that the condition ceases to have effect on the retail market opening date.

- **New Water and Sewerage Supply Licences to come into force**
 - Licences which were granted before the Secretary of State announced the market opening date and which were issued subject to their coming into force on a date to be determined by the Authority (licences granted after the Secretary of State's announcement included the date of 1 April 2017, so the DDD lists only those licensees which are relevant).

- **The Market Arrangements Code (MAC) to come into effect**
 - The MAC Framework Agreement which provides that the effective date of the MAC is the "Go Live Date", a term which is defined in the MAC as the date determined by the Authority, which the DDD sets as 1 April 2017.