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By email

Steve Arthur
Market Performance Director
MOSL

9 February 2021

Dear Steve

Extending the suspension of Market Performance Charges

Throughout the Covid-19 pandemic, we have been working together to support the interests of business customers. To this aim we have collectively introduced a number of measures, including a temporary suspension on the invoicing and payment of charges under the Market Performance Framework (MPF). We confirmed in our [letter](#) to you of 20 November 2020 that the suspension on the invoicing and payment of market performance charges in relation to both Operational Performance Standards (OPS) and Market Performance Standards (MPS) would expire at the end of December 2020.

In our [joint statement](#), published on 28 January, we confirmed that the invoicing and payment of OPS charges would resume from 1 January 2021. In our statement, we also said that in light of the continued restrictions resulting from Covid-19, we recognise that some Retailers will continue to be impacted by business closures more than others and that a number of 'business as usual' activities, such as reading meters, will continue to prove difficult due to inaccessibility during this time. With Covid-19 restrictions likely to remain in place for some time, we consider that it remains unreasonable to financially penalise Trading Parties for failing to meet MPS due to factors outside of their direct control and confirmed that we would extend the suspension of MPS charges until the end of the financial year 2020/21. This letter confirms the detail of that suspension.

We are only suspending the invoicing and payment of MPS charges until the end of March 2021.

- From 1 January 2021, OPS charges will come back into effect, with invoices to Wholesalers commencing from February.
- From 1 April 2021, MPS charges will come back into effect, with invoices to Retailers commencing from May. We do not expect to extend the suspension of MPS charges further beyond this date.

- MOSL shall continue to report and publish the level of MPS charges that would have been due, even where invoices are not issued.

For the purposes of sections 10.4.2(c) and 10.4.3(c) of the MAC Ofwat is notifying MOSL that Market Performance Standard Charges shall not be invoiced to each Undertaker Wholesaler Business and each Retailer Business for the Months of January 2021, February 2021 and March 2021.

For the purposes of section 10.5.3 of the MAC, Ofwat is notifying MOSL that for the Months of January 2021, February 2021 and March 2021 it shall report the level of Market Performance Standard Charges that would be due by each Undertaker Wholesaler Business and Retailers Business at the time of the invoice issued pursuant to section 10.4.2. and section 10.4.3 but such amounts shall not be due or payable.

Yours sincerely

Georgina Mills
Director, Business Retail Market