

Wholesale Retail Code Change Proposal 008: Independent Review of Settlement Algebra

Modification proposal:	Wholesale Retail Code Change Proposal 008: Independent Review of Settlement Algebra		
Decision:	Ofwat has decided to confirm these change proposals		
Date of publication:	30 September 2015	Implementation date:	30 September

Background

Production of the codes was handled in 2015 with ‘the page turn exercise’ completing in August 2015. At this time formulas for settlement and charges were developed by MOSL. These formulas were checked and assured by an outside independent experts who produced a report which suggested some changes to the codes.

The modification proposal¹

WRC008 was proposed by MOSL on advice from an economic consultancy charged with reviewing the algorithms as existing in the codes. The changes were discussed at length and taken away for further study and internal company discussion. Changes proposed were extensively detailed in the report² with justification and assurance.

¹ The proposal is available on: <http://www.open-water.org.uk/icp/>

² Available with proposal at: <http://www.open-water.org.uk/icp#>

Interim Code Panel recommendation

At its meeting on 28 September 2015, the Interim Code Panel voted unanimously to recommend WRC006. Minutes of the meeting indicate Panel considered the change to positively impact on the efficiency³. The Panel discussed the changes at length and technical questions were asked of the proposers which were answered to general satisfaction.

Our decision

The Panel voted unanimously to accept the proposal. The Panel was satisfied are consistent with the Principals and Objectives⁴. We consider that confirming this change is consistent with our principal objectives and statutory duties.

Reasons for our decision

We consider that the implementation of WRC008 will contribute to effective codes and changes contained are correct and desirable.

Adam Cooper

Director, Retail Market Opening

³ Available at: <http://www.open-water.org.uk/icp>

⁴ <http://www.open-water.org.uk/icp>