

DCUSA Issues Form (DIF)

This form should be used by parties to submit matters for consideration to DCUSA Standing Issues Group (SIG).

The completed form should be issued to DCUSA@electralink.co.uk

Document Control	
Date Submitted	29 th October 2014
Issue Title:	Timescales For Responding To Requests To Increase Cover.
Issue Number*:	DIF 044
Meeting Ref*:	06 November 2014
Attachments:	

**Assigned by DCUSA Secretariat*

Originator details	
Party Name	Npower
Originator Name	David Smith
Party Category	Supplier
Email Address	david.smith3@npower.com
Telephone Number	07788309166

Nature of Issue
<p>Under section 3.7 of the DCUSA the User may, by notice to the Company, decrease the amount of collateral at any time provided the decrease would not cause the Indebtedness Ratio to breach the Indebtedness Ratio Limit. Section 3.8 obliges the Company to take the appropriate action to facilitate any reduction within two working days of receiving a request from the User.</p> <p>Npower would like to propose to replicate this obligation for instances where the User wishes to increase the amount of collateral. In addition to the above, we believe there would be an efficiency benefit to adding a clause to the DCUSA to state that the Company must respond within five working days of receiving such a request (be that to increase or decrease the amount of collateral). If after five working days the Company has not responded to the User, the User can assume the Company has approved their request and can progress with the relevant steps to facilitate the change in cover levels.</p> <p>These changes would allow Users to ensure that they had the most appropriate level of cover in place at all times which during non-peak periods would see the User make cost savings by reducing collateral or other arrangements. Users would be able to efficiently increase their collateral ahead of peak periods utilising existing criteria and avoiding any defaults. These cost savings could be significant and may see benefits being realised by consumers.</p>

Solution Overview – if known

Solution description:

Decrease in Cover Requirements

3.7 The User may by notice to the Company decrease the amount of Collateral at any time provided that such decrease would not cause the Indebtedness Ratio to exceed the Indebtedness Ratio Limit.

3.8 The Company shall, within two Working Days of its receipt of a notice from the User pursuant to Paragraph 3.7, undertake actions to facilitate the reduction, or the return to the User, of such Collateral. **If the Company does not respond after five Working Days the User shall deem that the request has been authorised and may progress the change.**

Increase in Cover Requirements

3.9 The User may by notice to the Company increase the amount of Collateral at any time.

3.10 The Company shall, within two Working Days of its receipt of a notice from the User pursuant to Paragraph 3.9, undertake actions to facilitate the increase. **If the Company does not respond after five Working Days the User shall deem that the request has been authorised and may progress the change.**

(Note – future clauses will need re-numbering accordingly)

Lead time for implementation:

As soon as practicable.