

CMP218 Changes required for use of new banking product to hold users' cash securities



CUSC Panel – 22nd March 2013

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Proposed CUSC Modification

- Enable NGET to utilise a new banking product for managing bank & escrow accounts which hold security provided by Users
- Propose to replace the separately designated accounts for each user
- With bank/escrow accounts in the name of The Company
 - an account for all security deposits
 - an associated account for interest purposes
- Each user would have a “virtual client account”
 - Identified by name and individual reference number

Proposed CUSC Modification

Benefits:

- Removes the need to create a new account for each user providing security
- Improved efficiency for refunding security and interest
- Quicker responses to user queries

Solution

- Section 11 Definitions: Bank & Escrow Account :
 - Remove: “ separately designated bank account”
 - Clarify User deposits are identifiable within the accounts
 - Add: that the bank/escrow account in the name of The Company will have an associated account for interest purposes
- Section 2: Connection, Section 3: Use of System, Section 15 User Commitment Methodology
 - Clarifications due to the above changes

Justification against Applicable CUSC national grid Objectives

- (b) facilitating effective competition in the generation and supply of electricity, and (so far as consistent therewith) facilitating such competition in the sale, distribution and purchase of electricity.
- This modification will better facilitate Applicable Objective (b) as CMP218 seeks to change the CUSC to reflect the use of a new banking product, which will have the effect of lessening the administrative burden associated with the current way of working and improve efficiency of the account opening, operation and refund process. This more efficient process will grant Users faster access to their funds, thereby facilitating competition.

Questions?



Code Administrator Proposed Progression

- The Panel is asked to agree:
 - whether CMP218 should be progressed through Self-governance
 - how to progress CMP218
 - Workgroup
 - Code Administrator Consultation
 - whether CMP218 is exempt from the ongoing SCR.
 - On advise from NG securities team implementation date should be [2 months] after closure of the self governance appeal window

Proposed Timetable – (Self Governance)

14th March 2013	CUSC Proposal submitted
22nd March 2013	Proposal presented to CUSC Panel
28th March 2013	Code Administrator Consultation issued (4 week consultation)
29th April 2013	Deadline for comments
2nd May 2013	Draft FMR published for industry comment
10th May 2013	Deadline for comments
23rd May 2013	Draft FMR published with Panel papers
31st May 2013	Panel Determination Vote
4th June 2013	Final report circulated for Panel comment
11th June 2013	Deadline for Panel comment
21st June 2013	Appeal Window Closes
[21st August 2013]	Implementation following Appeal Window closure