

UNC DSC Credit Committee Minutes
Wednesday 23 August 2023
via Microsoft Teams

Attendees

Rebecca Hailes (Chair)	(RH)	Joint Office	Non-Voting
Brendan Gill (Secretary)	(BG)		

Shipper User Representatives (Voting)

Daniel Wilkinson	(DW)	EDF
James Knight	(JK)	Centrica
Kirsty Dudley	(KD)	E.ON (Alternate)
Jane Morrison	(JM)	SSE
Steve Mulinganie	(SM)	SEFE Energy

Transporter Representatives (Voting)

Elisa Trout	(ET)	Northern Gas Networks
Howard Gormley	(HG)	Cadent
Jenny Rawlinson	(JR)	IGT
Charlotte Gilbert	(CG)	IGT (Observer)
Darren Lond	(DL)	National Gas Transmission (Alternate)
Stephen Cross	(SC)	Scotia Gas Networks
Richard Pomroy	(SL)	Wales & West Utilities (Alternate)

CDSP Credit Representatives (Non-Voting)

Brendan Gill (Secretary)	(BG)	Xoserve
Claire Jamieson	(CJ)	Xoserve

Copies of all papers are available at: <https://www.gasgovernance.co.uk/dsc-credit/240523>

DSC Credit meetings will be quorate where there are at least 3 voting members, or appointed alternates in attendance.

1. Introduction

Rebecca Hailes (RH) welcomed all representatives to the meeting.

1.1. Apologies for absence

Laura Dawson

1.2. Note of Alternates

Kirsty Dudley for Laura Dawson (E.ON)

Richard Pomroy for Samuel Lyons (Wales and West)

Darren Lond for Richard Loukes (NG Transmission)

1.3 Quoracy Status

RH confirmed the meeting was quorate and that Charlotte Gilbert (IGT) would be joining the meeting as an observer. No objections were received.

1.4 Approval of Minutes (24 May 2023)

The minutes of the previous meeting were approved.

1.5 Approval of Late Papers

There were no late papers to consider.

2. CDSP Operational Report

Claire Jamieson (CJ) presented the DSC Credit Committee Operational Statistics.

For full details please refer to the Scorecards published on the meeting page.

Cash collection

July 93.93% at Payment Due Date (PDD) and 99.99% at Payment Due Date +3 (PDD+3). There was a dip in performance for May at PDD (95.77%), June (94.53%) and July 93.93% due to one transporter settling their large general service invoices one day late.

- No concerns regarding payments with Xoserve encouraging customers to use Direct Debit in order to ensure prompt payment.

Month	Invoices Due for Collection	Payment Due Date	Payment Due Date +3
May	£8,604,962.74	£8,240,576.12	£8,567,594.44
June	£9,844,035.42	£9,305,167.50	£9,819,391.12
July	£8,932,084.23	£8,390,269.68	£8,931,426.69

- Increase in invoice value in June due to annual IX rental charges issued.

Failure to Pay Notices Issued:

Month	Failure to Pay Notices Issued	Value
May	3	£364,310.72
June	20	£524,745.59
July	7	£541,157.01

- Larger volume for June due to the annual IX rental and maintenance being issued to traders who only take this CDSP service and receive a single invoice each year.

Invoicing:

- No invoicing issues reported during this quarter.
- Total of Late Paid interest charges invoiced in May, June and July was £4,126.41

Escalations:

- No escalations to report.

Outlook:

- Continue early engagement with customers leading up to payment due date and encourage use of Direct Debit especially for regular smaller value payments.
- Increase communications with Administrators in pursuit of debt left from failed users.

Securities

CJ presented the Credit Ratings summary:

- 88% customers supported with credit rating.
- 7% of customers prepay for services.
- 5% have fixed security in place (LOC/PCG/DD).
- No concerns resulting from daily credit agency alerts.

Type of Security	Number of Customers	Percentage	Financial Value
Prepayment customers	25	7%	Payment is made before service is provided
Secured with a Letter of Credit, Parent Company Guarantee or Deposit Deed	20	5%	£5,878,591
Immediate Payment Terms	0	0%	N/A

Supplier Failure CDSP Debt

CJ talked through the slide detailing CDSP Supplier debt with Together Energy being the largest at £14,246.40. BG advised that values over £1k are pursued with administrators. RP sought clarity on Future Energy where there is £352.36 debt that Xoserve are still pursuing. BG advised that this debt occurred prior to the £1k rule however, Xoserve had not written off the debt as Xoserve had been advised by the administrator that there is likely to be a small dividend. Once dividend is received, any shortfall would be written off.

Shipper Failure CDSP Debt

CJ confirmed that currently there is £522,767.85 Shipper debt for CDSP of which £361,851.33 relates to CNG.

Dividends Received

CJ shared with the committee the dividends received equating to £5,814.33.

BG advised that CDSP customers debt and any dividends received from debt is captured by Xoserve Finance via the Profit and Loss Accounts.

BG further explained how Xoserve deal with significant dividends (e.g. CNG where debt being claimed is circa £375k). If the dividend is significant then the surplus will be rebated through the charging statement back to Customers.

All significant debts or dividends will be flagged at Contract Management Committee Meeting, and any debt or dividend over £50K and will be flagged to the Contract Management Committee. JR questioned whether debt would be smeared across all constituencies particularly the Shipper related debt. BG advised that he believed that it is the case however, he took an action to confirm. JM questioned whether CDSP debt data is shared with Ofgem. BG confirmed that debt data has been provided to Ofgem. JM suggested that following each credit committee meeting Xoserve should issue an update on the debt position to Ofgem for their awareness/consideration.

New Action 0801: *Debt Smearing* – Xoserve (BG) to confirm whether Shipper CDSP debt is smeared across all constituencies.

New Action 0802: *Xoserve to share with Ofgem the overall CDSP Debt and recovery position following each committee meeting with standard agenda item to provide confirmation.*

Debt Write-Offs

CJ reported that £15,037.65 of the CDSP debt relating to failed customers had been written off (against a debt of £18,617.06).

CDSP Dividends Expected

CJ confirmed that dividends are expected in the coming months for 5 Shippers/Suppliers.

3. Review of Outstanding Actions

0803: Xoserve (SB (Sharon Bright) to update the DSC Credit Rules at the end of September 2022 to include the Deposit Deed and Creditsafe updates. **Closed**

0201: Xoserve (CJ) to circulate Credit Rules Updates for Approval. Committee Members to review and respond/approve by 01 March 2023. **Closed**

4. Key Messages

BG confirmed that focus remains on debt recovery in addition to increasing awareness with Ofgem of the debt and recovery. Work will continue to progress the stranded meter points through to conclusion.

5. Any Other Business

6. Next Steps

Additional monitoring and reporting of ‘stranded meter points’ to be undertaken going forward including liaison with PAC where appropriate.

7. Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Time / Date	Venue	Workgroup Programme
09:15 Wednesday 22 November 2023	Microsoft Teams	Standard agenda items

Action Table as of (24 May 2023)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Due Date	Status Update
0501	24/05/23	5.1	<i>Reference Parties with ‘Stranded Meter Points’ – Xoserve (BG/CJ) to look to include an additional slide within the DSC Credit Committee & EBCC Operational Report presentations to highlight potentially ‘stranded meter points’ where a live Shipper has not been assigned (inc. assessment of potential positions, status update and date of failure etc.). Additionally provide an update to PAC on this matter via PAC chairperson.</i>	Xoserve (BG/CJ)	End of September 2023	Carried Forward
0801	30/08/23	2.0	<i>Debt Smearing – Xoserve (BG) to confirm whether Shipper CDSP debt is smeared across all constituencies.</i>	Xoserve (BG)	End of September 2023	Pending
0802	30/08/23	2.0	<i>Xoserve to share with Ofgem the overall CDSP Debt and recovery position following each committee meeting. Standard agenda item to provide confirmation.</i>	Xoserve (BG)	End of September 2023	Pending