

**UNC Energy Balancing Credit Committee Minutes**  
**Tuesday 21 February 2024**  
**via Microsoft Teams**

**Attendees (Non-Voting)**

Helen Cuin (Chair)	(HCu)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Brendan Gill	(BG)	Xoserve
Sharon Bright	(SB)	Xoserve
Katie Barron	(KB)	Scottish Power - Observer

**Shipper User Representatives (Voting)**

Daniel Wilkinson	(DW)	EDF
David Holland	(DH)	ScottishPower
Sharon McCahey for Jane Morrison	(SMc)	SSE Alternate
Laura Dawson	(LD)	E.ON UK
Steve Milinganie	(SMu)	SEFE Energy Ltd
Thomas Grove	(TG)	Centrica

Copies of all papers are available at: <https://www.gasgovernance.co.uk/EBCC/210224>

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

**1. Introduction**

Helen Cuin (HCu) welcomed all representatives to the meeting.

**1.1. Apologies for absence**

Jane Morrison

**1.2. Note of Alternates**

Sharon McCahey for Jane Morrison – Shipper Representative.

**1.3. Quoracy Status**

The meeting was confirmed as quorate.

**1.4. Approval of Minutes (21 November 2023)**

The minutes of the previous meeting were approved.

**1.5. Approval of Late Papers**

No late papers to consider.

**2. Operational Update**

Sharon Bright (SB) presented the EBCC Operational Statistics. For full details please refer to the Scorecards published on the meeting page:

Monthly Breakdown of Cash Collected at Payment Due Date (PDD):

SB highlighted the payment due date in November 2023 dropped to 97% collection, this was due to seven large invoices being paid late.

Month	Payment Due Date (PDD)	PDD + 2
November 2023	97%	100%

December 2023	99.74%	100%
January 2024	99.98%	100%

Failure to Pay Notices Issued:

November 2023	7
December 2023	4
January 2024	3

There are no current concerns with any users in terms of payment.

Debt Invoice Values

CJ provided an overview of the Debit Invoice Values and advised this is affected by gas prices.

Securities

It was noted that all securities renewals were completed within the month without issue and no Bank downgrades or credit agency alerts required action.

Cash Calls Issued:

November 2023	9
December 2023	15
January 2024	4

Further Security Requests:

100% October securities without issue.

6 Further Security Requests issued due to Users having 2 cash calls issued within a 28 day period.

Debt Smearing

SB talked through the debt-smearing history reporting:

- 2024 to date £536,641.80
- 2023 £9,667,696.77
- 2022 £61,802,267.58
- 2021 £8,791,187.86

SB advised she will be removing the 2021 data from this slide and show only from 2022 to date going forward.

When SM asked if it is known what the future risk is in terms of future claims, and does Xoserve have a view of what April might look like, BG agreed to investigate to see if this can be provided.

**New Action 0201:** Xoserve (BG) to see if an outlook or forecast can be provided to indicate the potential scale of future debt smearing.

Upcoming Debt Smear

SB provided an overview of the upcoming debt smear:

- March 2024 £131,256.94
- April 2024 £87,653.67
- May 2024 £539,506.64

Indebtedness Position at Termination – Current Debt Position

SB provided a view of the debt position, providing a comparison of the debt position at the point of termination £567,104.91 and the current debt position £82,204,338.93.

Energy Dividends/Payments Received

SB provided an update on the energy dividend payments received and the energy dividends expected.

#### Debt Recovery

SB provided a debt recovery update. SB clarified that Xoserve does not have an indication of how much the expected payments might be, and that Users are approached monthly to provide an update, but a set date and value are rarely provided.

#### New Users Credit List Monitoring:

SB provided an overview of the New User credit monitoring. There were no concerns, balancing inside of the set credit limits with 3 new Shippers having their security increased, to match their balancing activity.

#### Stranded Meter Points:

SB explained following a Shipper failure, a number of meter points have yet to be confirmed by an alternative live Shipper. Until a live Shipper is registered against these meter points no asset or read data can be updated onto the Xoserve Central Register impacting data quality and accuracy of invoicing.

SB reported an overall reduction of 225-meter points since August and a reduction from 4 to 2 Suppliers.

#### Ofgem and Debt Awareness / Prevention

SB shared the information to be presented to Ofgem.

A Workshop has been arranged for 27 February 2024 with Ofgem's Security of Supply team alongside the Credit Committees to cover the following areas:

- The number of failures in the market and establish whether anything could have been done sooner to remove Users from the market.
- Overview of the licence revocation process and what are the constraints that Ofgem have around revoking a licence. Are these being reviewed following the number of failures?
- Overview of the additional controls that Ofgem have now introduced around financial resilience/fitness to operate/stress testing.

### **3. Current Debt Position and Dividends**

This was included within the update provided for agenda item 2.

### **4. Modifications**

#### **4.1. UNC Modification 0862 - Amendments to the current Unidentified Gas Reconciliation Period arrangements**

SM wished to note that Modification 0862 proposes amendments to the current Unidentified Gas Reconciliation Period arrangements to reconcile UIG to the same months that the energy originated from (instead of smear over the previous 12 months).

BG agreed to assess any impacts of this Modification and report back to the next meeting.

<b>New Action 0202:</b> Xoserve (BG) agreed to assess potential impacts in relation to Modification 0862 and report back to the next meeting.
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### **5. Review of Outstanding Actions**

**0802:** Xoserve (BG) to highlight to Ofgem the current debt position and also the level of dividends being received which are often a fraction of the overall debt.

**Update:** BG confirmed a workshop had been held with Ofgem. **Closed**

**0804:** Xoserve (BG) to share Indebtedness Position at Termination v Current Debt Position with Ofgem and offer a lesson learnt session to look at whether action could/should have been taken earlier with some Users in order to prevent financial exposure to the industry.

**Update:** The session with Ofgem has been organised and will take place on 27 February 2024.  
**Closed**

**6. Key Messages**

No key messages to communicate.

**7. Any Other Business**

None raised.

**8. Diary Planning**

EBCC meetings are listed at: <https://www.gasgovernance.co.uk/EBCC>

All other Joint Office events are available via: <https://www.gasgovernance.co.uk/events-calendar/month>

Time/Date	Meeting Paper Deadline	Venue	Programme
10:30 Wednesday 22 May 2024	5pm Tuesday 14 May 2024	Microsoft Teams	Standard Agenda
10:30 Wednesday 21 August 2024	5pm Tuesday 13 August 2024	Microsoft Teams	Standard Agenda
10:30 Tuesday 18 November 2024	5pm Tuesday 10 November 2024	Microsoft Teams	Standard Agenda

**EBCC Action Table**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Due Date	Status Update
0802	23/08/23	2.0	Xoserve (BG) to highlight to Ofgem the current debt position and also the level of dividends being received which are often a fraction of the overall debt.	(BG) Xoserve	End February 2024	<b>Closed</b>
0804	23/08/23	2.0	Xoserve (BG) to share Indebtedness Position at Termination v Current Debt Position with Ofgem and offer a lesson learnt session to look at whether action could/should have been taken earlier with some Users in order to prevent financial exposure to the industry	(BG) Xoserve	End February 2024	<b>Closed</b>
0201	21/02/24	3.0	Xoserve (BG) to see if an outlook or forecast can be provided to indicate the potential scale of future debt smearing.	Xoserve (BG)	May 2024	<b>Pending</b>
0202	21/02/24	4.0	Xoserve (BG) agreed to assess potential impacts in relation to Modification 0862 and report back to the next meeting.	Xoserve (BG)	May 2024	<b>Pending</b>