

Energy Balancing Credit Committee Meeting

19 February 2010

Teleconference

Participants

Joint Office (Non voting)	Shippers (Voting)	
John Bradley (JB) Chair	Carl Wilkes (CW)	RWE
Bob Fletcher (BF)	David Trevallion (DT)	SSE
xoserve (Non Voting)	Gary Russell (GR)	Corona Energy
Richard Creswell (RC)	Gavin Ferguson (GF)	Centrica
Mark Cockayne (MC)	John Costa (JC)	EDF Energy

Apologies

Richard Fairholme (RF) E.ON UK

1. Introduction

JB welcomed the members to the meeting, which was quorate.

2. Minutes and Actions from the Previous Meeting

2.1 Minutes

The minutes of the 22 January 2010 meeting, as amended to reflect comments from Andrew Pester and GF, were accepted.

2.2 Actions Update

EBC 04/10: xoserve (MC) to check whether specific terminated names can be used in the slide pack circulated.

MC confirmed that these names could be included in future slide packs and xoserve will be doing so in future. **Closed**

EBC 01/01: Committee Members to provide any comments on the Further Security Request Proposal by 29/01/2010

Comments have been received and these had been incorporated. **Closed**

EBC 02/01: Committee Members to provide any comments on the Balancing Indebtedness Proposal by 26/01/2010

Comments have been received. See 4.2 below. **Closed**

3. Operational Update

MC provided the following Operational update for January 2010:

3.1 Cash Call Notices:

During January 2010, nine Cash Call Notices were issued, two were appealed, two withdrawn and six paid on the due date; one Failure to Pay Notice was therefore issued, which was paid promptly.

3.2 Further Security Requests:

There were two Further Security Requests (FSRs) issued during January 2010 both to the same Shipper. MC did not believe that there was any reason for undue concern but agreed to check.

Action EBC 01/02: xoserve (MC) to check whether Shipper receiving two Further Security Requests in January 2010 should be of concern to EBCC.

Post Meeting Note: MC confirmed the statement made at the meeting – the situation has resulted from business growth. In addition, MC clarified that the shipper concerned has been working with xoserve proactively to ensure that they have appropriate security in place.

3.3 Settlement:

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
December 2009	99.86%	100.00%
January 2010	97.83%	100.00%
Rolling 12 Months	99.49%	100.00%

MC explained that four out of five late payments in January were from a Shipper that previously had a good payment record but who had recently amended its systems. He had received assurances from that Shipper that these systems issues had been resolved.

4. Modification Proposals

Raihana Braimah of Ofgem had previously offered to join the meeting at this point but as discussion was primarily an update on progress it was agreed that a telephone discussion with her after the meeting would be more appropriate.

4.1 Changes to Outstanding Energy Balancing Indebtedness Calculation

xoserve had received draft legal text and were studying it in detail. On the basis of any comments arising, MC expected to have further discussions with National Grid NTS and then circulate the legal text to members and Ofgem.

4.2 Further Security Request (FSR) Proposal

Following receipt of comments, a meeting had been held with the prospective Proposer (Corona Energy) to discuss details of this Proposal. MC asked if a Shipper had been subject to a 20% reduction followed by six months of trouble free operation, should it face a further reduction if one FSR was then triggered? Members considered that a further 20% reduction should not occur in this event. Following discussion of what should happen if an FSR was triggered in less than six months, the consensus was that an additional reduction would be appropriate. It was essential for correct behaviour to be incentivised and for Shippers in difficulty to discuss the way forward with EBCC.

4.3 Financing Credit Rating Information

MC indicated that National Grid NTS would be raising a Proposal on this at the same time as these other Proposals.

It was left to MC to decide at which Transmission Workstream these Proposals should be discussed. Members considered that it was preferable to spend time getting them right; even if this meant that they were not ready for the March 2010 Workstream. JB indicated that Agenda items and supporting material for this March meeting should be submitted to the Joint Office by 24 February 2010.

5. Any Other Business

MC indicated that, following discussions with the bank concerned, banking arrangements for the energy balancing account would be unchanged for the next twelve month period.

JB indicated that he would be taking early retirement with effect from 01 July 2010. To ensure a smooth transition, BF had attended this meeting and will be chairing the March meeting when JB would be in attendance. Members suggested holding a face-to-face meeting, attended by both BF and JB, to further facilitate the transition.

6. Next Meeting

The next meeting will be held at 10:00 am on Friday 19 March 2010. This will be a teleconference.

Action Log – Energy Balancing Credit Committee: 19 February 2010

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
EBC 04/10	23/10/09	6.2	Check whether specific terminated names can be used in the slide pack circulated	xoserve (MC)	These will be included in future Closed
EBC 01/01	22/01/10	2.2	Provide any comments on the Further Security Request Proposal by 29/01/2010	Members	Comments received Closed
EBC 02/01	22/01/10	4.1	Provide any comments on the Balancing Indebtedness Proposal by 26/01/2010	Members	Comments received Closed
EBC 01/02	19/02/10	3.2	Check whether Shipper receiving two Further Security Requests in January 2010 should be of concern to EBCC	xoserve (MC)	Refer to post meeting comment