

Energy Balancing Credit Committee Minutes
Friday 29 July 2011
By Teleconference

Participants

Joint Office (Non voting)
Bob Fletcher (BF) Chair

Shippers (Voting)
David Trevallion (DT)
Gary Russell (GR)
Richard Fairholme (RF)

Xoserve (Non voting)
Mark Cockayne (MC)
Lorraine O'Shaughnessy (LO)

Observer

Ofgem (Non voting)

Apologies
David Holland (DH)
Gavin Ferguson (GF)
Jenny Higgins (JH)
John Costa (JC)

1. Introduction

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

2. Minutes and Actions from the Previous Meeting

2.1 Minutes

The minutes of the previous meeting held on 24 June 2011 were accepted.

2.2 Actions

EBC 02/01: MC to advise on River Barle's response following their customer interface meeting later in the year.

Update: Action not discussed. **Carried Forward to September**

EBC 06/01: Draft a note for issue to Users advising them of available headroom for banks and the impacts of recent and future downgrades

Update: MC advised a note is to be provided and circulated to members for their review. **Carried Forward to September**

EBC 06/02: Provide the expected reporting date for the SCR to enable a meeting of the EBCC to be arranged to review the implications.

Update: See discussion under item 5. **Carried Forward to September**

3. Operational Update

MC provided the following Operational update for June 2011.

3.1 Cash Call Notices

During June there were 4 Cash Call Notice issued and 3 were paid. 1 was appealed and withdrawn.

Further Security Requests (FSRs)

1 Further Security Request (FSR) was issued during June 2011 and has been settled.

3.2 Settlement:

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
May 2011	99.95%	100%
June 2011	99.20%	100%
Rolling 12 Months	99.34%	100%

4. Modifications

4.1 Alternative to UNC 0233V - Changes to Outstanding Energy Balancing Indebtedness Calculation

MC advised that the modification will not be raised until the outcomes of the SCR are understood; this is due to the potential increases in exposure for Users. A system solution is likely to be required to be able to manage User enquiries for this purpose. A ROM is being arranged to get a view of costs going forward, an update is to be provided in due course.

There are a number of changes being arranged for Gemini and coordination of changes would be an advantage to reduce the impact on systems, though this may impact the implementation timeline.

4.2 0338 - Remove the UNC requirement for a 'gas trader' User to hold a Gas Shipper Licence

MC advised that Modification 0338 has been assessed and it is unlikely to have any issues for energy balancing and therefore should be removed from future agendas.

5. Significant Code Review Update

RF advised that Ofgem have written a letter to the industry advising that

the final report will not be published until Spring 2012. An interim statement is to be published during the Autumn and this is likely to lead to a consultation. Members agreed a meeting should be arranged once the interim statement is published.

6. AOB

6.1 Deposit Deed

MC reminded members that they had previously agreed that if the Market Operator wished to amend the 60% rule, due to the impacts of the Deposit Deed then they would need to raise a modification to make the change.

LO confirmed members have agreed to the amendments to the Deposit Deed and that it should be published next week for implementation on 01 October 2011.

MC advised that Xoserve have been discussing implementation of the Deposit Deed with their bank. Once the process is implemented Users will be notified in writing. He added that the National Grid Legal are to confirm if a seal is required on the deed, if so this may cause a short delay to the implementation.

MC advised that Xoserve currently use Barclays Business Master to process payments. In recent months Xoserve have exceeded the maximum tolerances for the number of accounts which impacts upon the number of payments that can be processed in either 1 or 3 days. Moving to the Deposit Deed will result in the need for approximately 90 additional Accounts AMS can easily accommodate the number of accounts forecast and at the same time it is anticipated that moving to this solution ,will reduce the overall operating costs for the bank accounts by approximately £4k.

Members thanked LO for her patience and persistence during the development of the Deposit Deed.

6.2 Discretion to late payment notices

DT asked if the User who raised this issue at the last meeting intended to raise a modification. MC advised the User had been made aware of their options and the process Xoserve use but had not expressed a desire to raise a modification at this stage.

7. Date of Next Meeting

The next planned EBCC meetings is as follows:

Thursday 29 September 2011 commencing at 10.30 by teleconference. It was agreed that an Operational Update will be provided in the interim.

Action Log – Energy Balancing Credit Committee

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
EBC 02/01	25/02/11	2.2	Provide River Barle's response following their customer interface meeting later in the year.	Xoserve (MC)	Carried Forward to 29 September
EBC 06/01	24/06/11	3.1	Draft a note for issue to Users advising them of available headroom for banks and the impacts of recent and future downgrades	Xoserve (MC)	Carried Forward to 29 September
EBC 06/02	24/06/11	5.0	Provide the expected reporting date for the SCR to enable a meeting of the EBCC to be arranged to review the implications.	Ofgem (TK)	Carried Forward to 29 September