

UNC DSC Credit Committee Minutes
Monday 19 February 2018
via teleconference

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office	Non-Voting
Kully Jones (Secretary)	(KJ)	Joint Office	Non-Voting
Adam Lane	(AL)	Shipper	Voting Member
John Burke	(JB)	Transporter	Voting Member
Debbie Brace	(DB)	Transporter	Voting Member – alternate
Laura Dawson	(LD)	Shipper	Voting Member – alternate
Pauline Babb	(PB)	Shipper	Voting Member
Sandra Dworkin	(SDw)	CDSP	Non-Voting
Sue Davies	(SDa)	Transporter	Voting Member

Apologies

Mark Cockayne	(MC)	CDSP	Non-Voting
Phil Lucas	(PL)	Transporter	Voting Member
Sallyann Blackett	(SBI)	Shipper	Voting Member
Thomas Butler	(TB)	Shipper	Voting Member

Copies of all papers are available at: <https://www.gasgovernance.co.uk/dsc-credit/190218>

1. Introduction and Status Review

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

1.1. Apologies for absence

See above table.

1.2. Note of Alternates

Debbie Brace attended as the alternate for Phil Lucas

Laura Dawson attended as the alternate for Sallyann Blackett.

1.3. Approval of Minutes (22 January 2018)

The minutes from the previous meeting were accepted.

1.4. Review of outstanding actions

None outstanding.

2. Approve changes to the DSC Credit Rules/DSC Security

SDw confirmed that there were no changes to consider this month.

3. CDSP Operational Report**3.1. CDSP cash collection update**

The following performance was reported for cash collected:

Month	Payment Due Date	Payment Due Date +3
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December 2017	99.57%	100%
January 2018	99.51%	99.99%

SDw confirmed that there were 8 Notice of Failure to Pay Invoices in January issued with a combined value of £11,591.03.

SDw explained the reasons for the late payments. She reminded members that notices are not issued for late payments with a value under £5.

Four customers paid late in relation to PO queries, 3 were part of a Group, one was a customer that had ceased trading – Future Energy (Supply) Ltd and had gone into administration and the remainder were all back-office issues.

Customers that had not paid by Payment Due Date + 3 had been escalated to the DSC Credit Committee – 3 in January and monitored until payment received in full/administrator confirmed. All other late payments were related to back office issues.

River Callam – authorised signatory
 River Suir - £9.02 Second invoice PO issue
 River Orange – Future Energy (Supply) Ltd

Future Energy (Supply) Ltd ceased trading on 25 January 2018. SD confirmed that they were a supplier and held DE and M No Data Third Party Contracts. A letter to terminate contracts was issued on 26 January 2018 and the final bills issued. Total debt including VAT is £332.36. The Administrators were appointed on 31 January 2018 and CDSP are completing a proof of debt. SDw confirmed that the SOLR process was invoked and were appointed by Ofgem on 30/1/18, Future Energy's Supplier license was revoked on 31 January 2018.

SDw also confirmed that half the late payments were in relation to Third Party Contracts, the other half being Specific Services. There were no General Services (95% of the income stream) paid late in January.

SDw reported that the current outstanding debt for the 2 companies in administration:

- GB Energy £5,246.44
- Future Energy (Supply) Ltd - £332.36.

3.2. CDSP security management update

SDw provided an update on customers security explaining that:

92% was unsecured, supported by a published credit rating by an approved rating agency;

6% was unsecured, but exposure was less than £150, not supported by a published credit rating;

2% was secured exposure underwritten by a third-party Letter of Credit of Parent Company Guarantee; and

SDw confirmed that the Late Payment Analysis discussed in October was continuing and as previously reported Third Party contracts had the smallest revenue but largest invoicing and cash collection issues. Some DE contracts worth less than £5 a month. It is anticipated that late payment charges will be issued to customers at the beginning of March.

SDw suggested that an update on performance over the last 12 months would be provided at the April meeting. Following a brief discussion, it was agreed that the April meeting should be a face to face meeting with an earlier start. The timings to be confirmed at the March meeting.

3.3. Breach of a DSC Credit Limit, late or non-payment of CDSP Charges

No additional update.

3.4. Further Actions following failure notices

None.

4. Any Other Business

SDw provided an update on the *Transform Us* programme which continues within Xoserve to move from the National Grid SAP system to an off the shelf product. She explained that this may require a review of processes in the billing area and credit teams. Updates will continue to be provided throughout the year and this would be added as a standard agenda item.

5. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Committee meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
14:00 Monday 19 March 2018	Teleconference	<ul style="list-style-type: none"> Standard agenda items including an update on the Transform Us Programme
10:30 Monday 23 April 2018 (time and order of meetings to be confirmed at the March meeting)	Face to Face	<ul style="list-style-type: none"> Standard agenda items including an update on the Transform Us Programme

Action Table (as at 19 February 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
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