

UNC Energy Balancing Credit Committee Minutes
Tuesday 21 November 2023
via Microsoft Teams

Attendees (Non-Voting)

Yvonne Reid-Healy (Chair)	(YRH)	Joint Office
Helen Cuin (Secretary)	(HC)	Joint Office
Brendan Gill	(BG)	Xoserve
Claire Jamieson	(CJ)	Xoserve

Shipper User Representatives (Voting)

Daniel Wilkinson	(DW)	EDF
David Holland	(DH)	ScottishPower
Jane Morrison	(JM)	SSE
Laura Dawson	(LD)	E.ON
Thomas Grove	(TG)	Centrica

Copies of all papers are available at: <https://www.gasgovernance.co.uk/EBCC/221123>

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

1. Introduction

Yvonne Reid-Healy (YRH) welcomed all representatives to the meeting.

1.1. Apologies for absence

Steve Mulinganie

1.2. Note of Alternates

None advised.

1.3. Quoracy Status

The meeting was confirmed as quorate.

1.4. Approval of Minutes (23 August 2023)

The minutes of the previous meeting were approved.

1.5. Approval of Late Papers

No late papers to consider.

2. Operational Update

Claire Jamieson (CJ) 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):

Month	Payment Due Date (PDD)	PDD + 2
August 2023	99.90%	100%
September 2023	100%	100%
October 2023	98.32%	100%

In October there was a drop in cash collection performance on the payment due date, due to five users having a large value invoice, this was recovered by Payment Due Date +2.

Failure to Pay Notices Issued:

August 2023	3
September 2023	0
October 2023	5

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

Debt Invoice Values

CJ provided an overview of the Debit Invoice Values.

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:

August 2023	0
September 2023	2
October 2023	1

Further Security Requests:

100% October securities without issue.

0 Further Security Requests for August, September and October

Debt Smearing

CJ talked through the debt-smearing history reporting:

- 2023 to date £9,059,949.73
- 2022 £61,802,267.58
- 2021 £8,791,187.86

Debt Recovery

CJ provided a debt recovery update for UPB, CNG, LCE, EED and GSP.

The Committee considered the challenges to the UNC being made and the work being undertaken with CNG Administrators.

CJ reported that the final energy dividends payments received to date and expected.

Indebtedness Position at Termination v Current Debt Position

The upcoming debt smear was provided, along with the indebtedness positions at termination. The current total at termination was £567,065.90 and the outstanding position was £84,002,587.93.

New Users Credit List Monitoring:

CJ reported provided an overview of the New User credit monitoring.

3. Modifications

3.1. UNC Modification 0864S - Update of UNC Code Communication Methods

BG reported that UNC Modification 0864S to replace all references of facsimile to email in the UNC and the Energy Balancing Credit Rules 3.3b.

YRH advised that the UNC Modification is being assessed by a Workgroup with a 6-month assessment period, noting that the digital network which currently supports facsimile systems will be withdrawn from December 2025 and that the industry needs to consider contingencies.

4. Stranded Meter Points

BG provided an update on Stranded Meter Points, reporting a reduction from 749 to 558 meter points, a reduction of 191, and a reduction from 4 to 2 suppliers. BG confirmed that concerns have been raised with Ofgem about the entry of a Shipper and the confidence to operate successfully. Samuel Lyons (SL) enquired about the potential go-live date, for this Shipper, which is expected in the New Year. BG confirmed that Xoserve are providing links to training material in support of enquiries received on operating processes.

5. Ofgem and Debt Awareness / Prevention

BG confirmed that Xoserve are sharing information with Ofgem highlighting the levels of debt. Xoserve are working with Ofgem and hopes to arrange a session with both the EBCC and DSC-Credit Committees to look at:

- The number of failures in the market and associated debt
- Licence revocation and constraints
- Additional controls introduced to ensure the financial resilience/fitness to operate

6. CICM Accreditation Assessment

BG provided an update on the CICM assessment and what it covered. A report is expected within 8 weeks on the assessment day mid-October on whether Xoserve have been re-accredited.

7. Credit Risk Pages on Xoserve.com

BG advised the Committee of a new section added to the Xoserve website covering how Credit Risk is managed for both CDSP and Energy Balancing. A new training package has also been developed to aid customers.

8. Review of Outstanding Actions

0801: Xoserve (BG) to provide DSC Contract Managers with an update on debt and credits following recent distributions/dividends.

Update: BG confirmed this had been undertaken with the latest update reported on 07 November 2023. It was agreed to have a standard agenda item following the Operational Update going forward.
Closed

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 further to item x. update and the upcoming workshop. **Carried Forward**

0803: Xoserve (CJ) to include the total values on the indebtedness position at termination versus the current debt position.

Update: CJ incorporated into the Operational Update. **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: Session with Ofgem to be organised before the Year end. **Carried Forward**

9. Key Messages

No key messages to communicate.

10. Any Other Business

None raised.

11. Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month> and/or <https://www.gasgovernance.co.uk/ebcc/2024>

Time / Date	Venue	Workgroup Programme
10:30 Wednesday 21 February 2024	Microsoft Teams	Standard agenda items
10:30 Wednesday 22 May 2024	Microsoft Teams	Standard agenda items
10:30 Wednesday 21 August 2024	Microsoft Teams	Standard agenda items
10:30 Wednesday 19 November 2024	Microsoft Teams	Standard agenda items

EBCC Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Due Date	Status Update
0801	23/08/23	2.0	Xoserve (BG) to provide DSC Contract Managers with update on debt and credits following recent distributions/dividends.	(BG) Xoserve	End September 2023	Closed
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	Carried Forward
0803	23/08/23	2.0	Xoserve (CJ) to include the total values on the indebtedness position at termination verses the current debt position.	(CJ) Xoserve	End August 2023	Closed
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	Carried Forward