

**Energy Balancing Credit Committee Minutes**  
**Monday 26 January 2015**  
**By Teleconference**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office	Non-Voting
Gavin Ferguson	(GF)	Shipper	Voting
Gemma Truran	(GT)	Shipper	Voting
James Hill	(JH)	Shipper	Voting
Mark Cockayne	(MC)	Xoserve	Non-Voting
Sandra Dworkin	(SD)	Xoserve	Non-Voting

**Apologies**

Esther Sutton	(ES)
Pauline Babb	(PB)

**1. Introduction**

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

**2. Minutes and Actions**

**EBC 0402:** Xoserve to write out to all Users with a forecast of Security Values calculated at £14 a therm based on Users peak exposures for previous 12 months.

**Update:** MC advised that they are still working on identifying realistic values for each User and would not be able to provide an update by the next meeting due to the complexity of the issues. Members agreed to review the action at the March meeting.

**Carried Forward**

**Action EBC 1102:** Clarify the process for the appointment of alternates by the emergency EBCC chair.

**Update:** MC asked for clarity on the action. BF advised that the rules were vague around appointment of alternates. MC suggested that Xoserve and the Joint Office should discuss this action and EBC1102b outside of the meeting and report back to the next meeting on options that could be considered.

**Carried Forward**

**New Action EBC 1102b:** Identify options for extending or enhancing EBCC membership. Include reviewing other UNC and non UNC committees/groups for ideas to expand membership.

**Pending**

**Action EBC1103:** Discuss with National Grid NTS drafting of modification for Modification 0233V successor

**Update:** MC advised that National Grid has confirmed that they are willing to support the development of this modification once Modification 0521 has concluded.

**Completed**

**3. Operational Update**

SD provided the following Operational update for December 2014.

**3.1 Cash Call Notices**

During December 2014 there was one Cash Call Notice issued, which was paid.

**3.2 Further Security Requests (FSRs)**

There were no FSRs issued during December 2014.

**3.3 Settlement**

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
November 2014	100%	100%
December 2014	95.83%	100%
Rolling 12 Months	98.63%	100%

There were 4 Failure to Pay Notice issued during December 2014 only one of which was a large payment. This was due to a banking issue created by late clearing funds from the User. The User has increased their security and this issue should not be repeated again, although the situation is being closely monitored.

**4. Modifications**

**Modification 0521 - Revision of User Admission Criteria to include Transporter verification of its ability to transact with the Applicant User**

MC advised that the consultation had closed and that Panel had recommended that the modification should be implemented. MC provided an overview of the Panel discussion and the additional information provided to support the modification.

MC advised that National Grid's bankers are not willing to trade with certain organisations due to restrictions on certain individuals, which may or may not be associated with the application. However, National Grid is considering options for using a different bank should the restricted party identify a bank that is willing to progress their transactions and this may mean that National Grid has to move its accounts to a new bank. It should be noted that it could take approximately 3 months to set up new accounts with a new bank.

MC advised that an existing UNC party is in a similar position to the new applicant above and that Barclays are refusing to transact with them or a third party acting on their behalf. A letter of credit is in place but this would be ineffective should Barclay's continue to refuse to transact. Members agreed that it would be reasonable to consider setting the security level to zero as the bank wont transact with the party – members noted this may require termination should the party not be able to transact.

Members agreed that where a letter of credit has been provided by an organisation that cannot be honored then its value should be considered as zero as the security is effectively unenforceable. Members voted unanimously to provide clarity in the Energy Balancing Credit Rules that a Users Secured Credit Limit will be revised to zero with immediate effect if the Transporters account bank has notified the Transporter that it will not process transactions on behalf of a User either directly or indirectly. Members agreed to provide a reduced period of 1 months notice of this revision under X 2.1.4.

Post meeting note. EBCC decision via email that notice of revision to the Energy Balancing Credit Rules will take place with immediate effect (30/1/15) under X 2.1.4 and that a Users Secured Credit Limit will be revised to zero in accordance with X2.2.6(a)(iv) on notice of not less than **(30 days notice)** to the User; if the Transporters account bank has notified the Transporter that it will not process transactions on behalf of a User either directly or indirectly

**5. Significant Code Review (SCR) Update – Security of Supply**

No update provided.

**6. Bank Ratings Review**

MC advised that there were no recent changes, however this situation would be monitored closely due to the election results in Greece.

**7. Any Other Business**

**a) Voluntary Discontinuances**

MC advised that there were two to be carried over the next meeting.

**8. Date of Next Meeting**

**EBCC meetings scheduled as follows:**

<b>Date</b>	<b>Location</b>
Monday 23 February 2015,10:30	Via teleconference
Monday 30 March 2015,10:30	Via teleconference
Monday 20 April 2015,10:30	Via teleconference
Tuesday 26 May 2015,10:30	Via teleconference
Monday 22 June 2015,10:30	Via teleconference
Monday 20 July 2015,10:30	Via teleconference
<i>[Monday 24 August 2015,10:30]</i>	Via teleconference
Monday 21 September 2015,10:30	Via teleconference
Monday 19 October 2015,10:30	Via teleconference
Monday 23 November 2015,10:30	Via teleconference
Monday 21 December 2015,10:30	Via teleconference

**Action Log – Energy Balancing Credit Committee**

<b>Action Ref</b>	<b>Meeting Date(s)</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>EBC 0402</b>	30/04/14	5.1	Xoserve to write out to all Users with a forecast of Security Values calculated at £14 a therm based on Users peak exposures for previous 12 months.	Xoserve (MC)	<b>Carried Forward</b> <b>Consider at March 2015 meeting</b>

<b>Action Ref</b>	<b>Meeting Date(s)</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>EBC 1102</b>	24/11/14	2.0	Clarify the process for the appointment of alternates by the emergency EBCC chair.	Xoserve (MC)	<b>Carried Forward</b>
<b>EBC 1102b</b>	26/01/15	2.0	Identify options for extending or enhancing EBCC membership. Include reviewing other UNC and non UNC committees/groups for ideas to expand membership.	JO/Xoserve (BF/MC/SD)	<b>Pending</b>
<b>EBC 1103</b>	24/11/14	4.0	Discuss with National Grid NTS drafting of modification for Mod 0233V successor	Xoserve (MC)	<b>Completed</b>