

# Energy Balancing Credit Committee Minutes

## Monday 28 November 2016

### Teleconference

#### Attendees

Bob Fletcher (Chair)	(BF)	Joint Office	Non-Voting
Helen Cuin (Secretary)	(HC)	Joint Office	Non-Voting
Adam Lane	(AL)	Shipper	Voting Member
Colette Baldwin	(CB)	Shipper	Voting Member
Gemma Truran	(GT)	Shipper	Voting Member
James Hill	(JH)	Shipper	Voting Member
Pauline Babb	(PB)	Shipper	Voting Member
Mark Cockayne	(MC)	Xoserve	Non-Voting
Sandra Dworkin	(SD)	Xoserve	Non-Voting

#### Apologies

Richard Fairholme	(RF)	Shipper	Voting Member
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Copies of all papers are available at: <http://www.gasgovernance.co.uk/ebcc/281116>

#### 1. Introduction and Status Review

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

##### Approval of Minutes (24 October 2016)

The minutes were approved.

MC confirmed that following the email issued yesterday and the subsequent note issued this morning today's meeting would not be an emergency EBCC meeting, further details would be covered under AOB.

##### 1.1 Actions

**EBC 0901:** Xoserve to provide an update on the Invoice Payment escalation route with ICE Endex and National Grid.

**Update:** SD confirmed that a meeting had taken place on 21 November 2016 with National Grid Gas and Ice Endex Gas Spot Ltd. SD confirmed that since implementation of daily billing on 1/8/16 there had been one late payment in September. The issues surrounding the late payment had been resolved and controls put in place going forward. However, SD had highlighted the effect of the late payment on the Cash Collection figures which are published on the Joint Office web site. SD also reiterated the cash collection process steps, and discussed the timings of payments and failure notices. SD confirmed as the UNC contract was with Ice Endex Gas Spot Ltd they would always be the route for escalation although payments were made via BNP Paribas clearing bank. SD reported that ICE Endex are fully committed to the invoice payment process, the escalation route and the timings of non-payment. MC confirmed the situation will be continually be monitored. **Closed.**

**EBC 1001:** Xoserve (MC) to investigate Fitch from a ratings approach and to discuss this with National Grid.

**Update:** MC confirmed that initial contact had been made with Fitch and Xoserve are currently arranging a one-month trial. More information will be available in January. **Carried forward.**

## 2. Operational Update

SD provided the operational report for October 2016.

### 2.1 Cash Call Notices

During October there was one Cash Call Notice issued, which was appealed and withdrawn

### 2.2 Further Security Requests (FSRs)

During October there were no Further Security Requests issued.

### 2.3 Settlement

The following performance was reported:

No Failure to Pay Invoice Notices were issued

Month	Payment Due Date	Payment Due Date +2
September 2016	96.91%	100%
October 2016	100%	100%
Rolling 12 Months	99.72%	100%

### 2.4 EBCC Membership

MC clarified an update had been provided at the previous meeting and that it had been agreed not to proceed with a modification and that this item should be removed from future agendas.

### 2.5 Modification 0587 – Seasonal Energy Balancing Credit Cover

Available at: [www.gasgovernance.co.uk/0587](http://www.gasgovernance.co.uk/0587)

MC explained that on 24/11/16 the authority directed to implement Modification 0587 - Seasonal Energy Balancing Credit Cover. At panel discussions members noted that it would be advantageous for implementation to become effective May 2017 to enable Users to reduce their credit cover for summer 2017. MC confirmed that analysis would be provided to confirm an implementation date and that the Credit Rules needed to be updated and these would be presented for consideration at the next meeting. This should allow sufficient time to provide notice to the industry.

## 3. Any Other Business

### 3.1 Credit Rules Update

SD confirmed that the Gas Forum reference had been removed, and that the draft had been circulated to EBCC members

### 3.2 Failure of Gas Supplier

MC confirmed Xoserve had been notified that a Gas Supplier had ceased trading over the weekend. The supplier has provided a notice on their website that they are withdrawing from the gas industry. A Supplier of Last Resort is being arranged by Ofgem.

MC clarified that Xoserve have no current concerns in respect of the associated Shipper exposure.

MC flagged whilst the Supplier is ceasing to operate, the information currently recorded with the Companies House still declares it as live. It is understood that the directors of the

organisation will provide data in due course to file for insolvency. In the mean time it is confirmed that there are no concerns for energy balancing.

MC confirmed that the current credit is with the Shipper and not with the Supplier and that the Shipper is actively trading. All the contractual relationships sit with the Shipper and it's worth noting that the Supplier of Last Resort can only become the Shipper of Last Resort where Shipper termination has occurred and this is not the case. There will be normal transfer process for the Supply Points to move to a different Supplier.

AL enquired when the Supplier of Last Resort would be appointed. MC confirmed Ofgem has not yet announced this however they will remain in close contact with Ofgem.

MC confirmed an insolvency practitioner will need to be appointed and Xoserve will continue to work with Ofgem. More information will be circulated to members in due course.

### 3.3 Customer Satisfaction

SD confirmed a Customer survey had been issued to all current and past members of the EBCC and they are in the process of collating feedback.

CB suggested as some members had only been in place since October it would limit the feedback. MC offered to conduct a further survey in June to capture feedback from members appointed in the previous October.

### 3.4 Member Profiles

SD thanked members that had completed profiles and asked if all members could return the completed templates as soon as possible. SD confirmed that Xoserve are working on updating the EBCC emergency contact details and availability (particularly over Christmas) to make sure these are all up to date for the winter.

### 3.5 ICOSS EBCC Membership

CB confirmed that she had taken an action to talk to ICOSS and to actively encourage EBCC membership/participation.

**Action EBC1101: ICOSS to be encouraged to provide EBCC members.**

## 4. Diary Planning

It was agreed for all future meetings the start time would be 09:30 for Teleconference and 11:00 for Face-to-Face meetings.

Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)

EBCC meetings are scheduled as follows:

Time Date	Venue
09:30 Monday 19 December 2016	Teleconference
09:30 Monday 30 January 2017	Teleconference
09:30 Monday 27 February 2017	Teleconference
09:30 Monday 27 March 2017	Teleconference
11:00 Monday 24 April 2017	Consort House, Solihull
09:30 Monday 22 May 2017	Teleconference

09:30 Monday 26 June 2017	Teleconference
09:30 Monday 31 July 2017	Teleconference

**Action Table (28 November 2016)**

<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 0901</b>	26/09/16	3.1	Xoserve to provide an update on the Invoice Payment escalation route with ICE Endex and National Grid.	Xoserve (MC)	<b>Closed</b>
<b>EBC 1001</b>	24/10/16	2.6	Xoserve (MC) to investigate Fitch from a ratings approach and to discuss this with National Grid.	Xoserve (MC)	<b>Carried Forward</b>
<b>EBC 1101</b>	28/11/16	3.5	ICOSS to be encouraged to provide EBCC members	E.ON UK (CB)	<b>Pending</b>