

**ENERGY BALANCING CREDIT COMMITTEE MEETING
16 March 2007**

Participants

xoserve (Non voting)

Jayne McGlone
Mark Cockayne

Shippers

Julie McNay
Christian Pederson
Gary Russell
Gavin Ferguson
Richard Fairholme

SSE
Statoil
Corona
Accord
Eon

Apologies

Lee Selway
Dave Roberts
Julian Majdanski

Edf
Centrica
Joint Office

Introduction

MC welcomed members to the meeting, which was quorate. MC advised the group that this would be Jayne McGlone's last meeting as Jayne is moving on from the Credit Risk Team. There will not be any change with the remainder of the Credit Risk Team and Jayne will still be available in the event of any Terminations.

Minutes from the Previous Meetings

The minutes from the previous meeting were reviewed and agreed.

The following represents February Operational update:

MC provided the following Operational update:

EBCC Pack issued 07/03/2007.

Cash Call Notices:

During February 2007, there was 1 Cash Call Notice (CCN) issued. There were no "Failure to Pay Notices" issued.

Further Security Requests:

No Further Security Requests were issued during February 2007.

Settlement:

The following performance was reported:

Month	Payment Due Date	Payment Due Date +6
January	99.49%	100%
February	99.96%	100%
Year to date	99.72%	100%

Update on this winter's Terminations

Reepham Limited

J McG advised the meeting that the letter sent to Crawfords on 19 December 2006 had been received. A response was received from Crawfords on 19 March 07, a copy has been emailed to all members.

Utilita Gas Shipping Limited

Following a letter received from the Insolvency Practitioner advising that there were insufficient assets available to enable a dividend to be paid to creditors, this account will now be closed. CRME are looking at the possibility of claiming bad debt relief, if successful this will be smeared back to the community in due course.

Enron

No further update available.

IEU

The Administrator is still investigating the Energy Balancing Invoices. The EBI team have offered their support to sit with the receiver and go through each invoice if required.

Mod Update

A replacement Mod has been drafted to replace Mod 102. Gary Russell has agreed to sponsor this Mod. It was agreed at the meeting that the Mod would be proposed at the next Transmission Workstream, which is due to be held on 5 April 2007. The proposal should be submitted 5 days prior to the meeting date (29 March 07). MC confirmed that he would be happy to present the Mod. Richard Fairholme agreed to support Gary if needed.

MC advised the meeting that following implementation of Mod 125 the bank charges would be smeared to the community on the invoice issued for the billing month that the charges were incurred and not on a monthly accrual as previously advised.

AOB

CVA

The CVA website was down on the weekend of 10/11 March 07. A notice appeared on the website to say that CVA was down for maintenance following a power outage as a result of this there were no updates from CVSL to National Grid systems, resulting in 3 Cash Call Notices being issued. All 3 CCN's were subsequently appealed and withdrawn however there is now concern as to how we will manage this situation should it arise again.

The group is aware of the issue and will press the CVA to understand fully what happened, what contingency plans are in place and why the contingency failed in this instance. Whatever arrangements are in place there is always the risk of failure, the EBCC need to agree what action should be taken in future.

CRM,E will contact CVA and invite to the next EBCC meeting.

BCM/Audit

MC advised the group of a successful BCM practice run held a couple of weeks ago involving the CRM,E team.

MC advised the group that both the CRM,E and EBI teams had recently been subjected to a new style audit, combining both the finance and ISO 9000 audit. CRM,E had a completely clean audit receiving the highest possible audit score of 'A'. The EBI team had only 2 minor findings, which were rectified before the final audit report was drafted.

Agree Way Forward for EBCC

A number of issues have been considered by the Committee over the last 12 months. Each issue has pointed to the fact that the way forward would be to reach the point where a Supplier of Last Resort could be appointed as soon as possible. To date Ofgem has been reluctant to support any of the proposals made.

The EBCC have offered support to the proposals made by National Grid regarding the current Supply Licence Review. The EBCC will be notified once a response has been made to these proposals.

MC advised the group that the Winter Issues Group are currently working with National Grid Legal to explore the possibility of drafting a template to facilitate an Assignment and Novation of portfolio from a failing User to a 3rd Party. One of the issues with this is the potential billing problems that it could cause for the new shipper.

It was agreed that a risk register would be developed highlighting the risks that have already been identified by the group. The register would be used as a working document.

Next Meeting:

Depending on the availability of the CVA, either April 20th or May 18th meeting will be face to face. This will be confirmed as soon as a response is received from CVA.