

# DOCUMENT REVIEW & APPROVAL FORM

DELIVERABLE DETAILS					
<b>DOCUMENT NAME:</b> Energy Balancing Credit Rules					
<b>DOCUMENT REF:</b> V3.7FA1	<b>VERSION:</b> 3.7	<b>DATE:</b> 18.07.2008			
<b>AUTHOR:</b> Loraine O'Shaughnessy	<b>ORG. UNIT:</b> Service Delivery - xoserve				
REVIEW DETAILS					
<b>REVIEW MEETING DETAILS:</b> (If Applicable - Date, Time, Location) <i>N/A</i>					
<b>COMMENTS DUE BACK BY DATE:</b> (If No Meeting) <i>EBCC Meeting 18.07.08 if possible.</i>					
<b>REVIEW CRITERIA:</b> (Review Criteria to be specified as appropriate to project & document)					
<ol style="list-style-type: none"> <li>1. The listed requirements are accurate and correct.</li> <li>2. The requirements make sense.</li> <li>3. The requirements are complete and no omissions have been identified.</li> </ol> <p style="margin-top: 10px;"><i>The reviewer should review against the criteria specified against their role as a minimum, but may comment upon any aspect deemed necessary.</i></p>					
Reviewer Name	Reviewer Job Title & Org. Unit	Date	Quality Criteria	Reviewer's Signature	Outcome (1/2/3)
Brett Date	Statoil Hydro	18/07/2008	ALL		
James Boraston	RWE Npower	18/07/2008	ALL		
Julie McNay	SSE	18/07/2008	ALL		
Lee Selway	EDF	18/07/2008	ALL		
Richard Fairholme	E.ON UK	18/07/2008	ALL		
Garry Russell	Corona Energy	18/07/2008	ALL		
Gavin Ferguson	Accord Energy	18/07/2008	ALL		
Michael Doherty	British Gas Trading	18/07/2008	ALL		
Sandra Dworkin	Credit Risk Officer - xoserve	18/07/2008	ALL		
John Bradley	Joint Officer Chair	18/07/2008	ALL		
<b>Outcome:</b> 1 = Accept; 2 = Accept With Minor Revisions; 3 = Further Review Required					

No	Ref	Comment	Reviewer Name	Author's Comments	Garry Russell (Corona Energy)	Julie McNay (SSE)	Brett Date (Statoil Hydro)	Gavin Fergusson (Accord Energy)	James Boraston (RWE Npower)	Lee Selway (EDF)	Michael Doherty (British Gas Trading)
		<i>Document any comments required</i>		<i>A = Author accepts comment R = Author rejects comment &amp; reason C=Clarification.</i>							
		<b>EBCC Version 3.7 FR Comments</b>									
1	Page 4	Introduction - Second sentence needs something in there – either “UNC” or “Uniform Network Code, as it’s missing a word.	Richard Fairholme	Agree - Amended	Agree	Agree					
2	Page 4	Purpose - From a grammatical point of view, it should be either “they” and “their” or “it” and “it’s”	Richard Fairholme	Agree – Amended	Agree	Agree					
3	Page 4	National Grid Gas Plc is responsible for managing the Energy Balancing Regime. However, in accordance with UNC Section V National Grid has discharged its responsibility for managing the activities of Section X of the UNC by appointing a Transporter Agency <b>Suggest Change</b> to National Grid Gas PLC (“National Grid NTS”) in its capacity as the owner and operator of the NTS and licensee under the Transporter’s Licence authorising the conveyance of gas through the NTS	Richard Fairholme	C – Do all members agree to this amendment?	Agree	Agree					

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4		About this Booklet - It should be noted that the Energy Balancing Credit Rules apply to energy balancing credit management only and that further Security and credit limits will need to be agreed with the Transporter Agency in respect of other services provided by or on behalf of the Transporters	Richard Fairholme	C – Discuss at EBCC Meeting for further clarification.	I would not include the words “with the Transporter Agency”	I agree this point requires further clarification at next EBCC or could be mis-interpreted.					
5	1.2 Page 6	<b>1.2 Powers and Duties Relating to the EBCC</b> What is “Energy Management”? Not heard this term before. I presume just “Ofgem	Richard Fairholme	C -This has been in previous versions of the EBCR. Yes it is a representative from Ofgem .	I would delete “Energy Management” reference to Ofgem sufficient. Are there any other such references in the document?	Happy for this just to be a rep from Ofgem and drop the reference to Energy management					

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6	Page 7	The committee endeavours to meet on a monthly basis, and for the purposes of voting a quorum of five elected <b>Users</b> is required Is <b>members</b> better than <b>Users</b> ? Otherwise, sounds like it could be ANY User, regardless of whether they are elected or not.	Richard Fairholme	C – We have used Users throughout the document. Although in this instance member is probably more appropriate. Does everyone agree?	Agree to "Member" not "User".	I agree Member is more appropriate (especially as we are not acting as representatives of our own companies and these companies are classed as users)					
7	1.2.5 Page 7	National Grid NTS has given a Termination Notice to the User	Richard Fairholme	R - National Grid NTS will provide notice to the User that a Termination Notice is being issued.	Agree	Agree					

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8	2.9.7	<b>Agree a course of action?</b> Don't know if this is correct but section is perhaps a bit vague on what "consult" with EBCC means? Do we need to agree a course of action or does xoserve reserve right to do what it wants?	Richard Fairholme	C – Can all members provide feedback here please.  I have updated this section as per section 2.9.7 of Section X.	I thought xoserve required EBCC to decide whether a Termination Notice Should be issued. Isn't that the "agreed course of action"?	I thought this was designed to be vague as although the UNC rules would drive xoserve to issue a termination notice sometimes EBCC may ask that a termination notice is not issued immediately – I would leave this is		Agree with Garry we would not issue termination notices without reference and agreement from EBCC.  MC clarified this by email..			

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9	3.2.3	Notify who? Users or the EBCC?	Richard Fairholme	R – If agreed, I will update this to read “National Grid NTS will send a copy of any notice given under paragraph 3.2.1 or 3.2.2 to the Authority and without prejudice to paragraph 1.2.5, will notify the Energy Balancing Credit Committee that such a notice has been issued.	Agree with proposed alternative wording.	Agree the wording should be updated but we should also retain a reference to the fact that EBCC will also be made aware a notice has been issued.					
10	2.1 Page 11	Do you need to expand on what the definition of “current period” is, or is this commonly known?	Richard Fairholme	C – Do all other members agree that this needs to be expanded further.  Suggest” delete the word current?	I don't think the words “for the current period” add anything to this sentence, and would suggest they are deleted.	Rather than expand this section, I agree with Gary's suggestion to delete ‘for the current period’ – I think it is clear what is meant.					

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11	Page 11	The Cash Call Limit represents a threshold for indebtedness which, when breached, leads to a User being requested to pay a prescribed amount of cash to National Grid <b>NTS in order to reduce the level of indebtedness</b> . This perhaps clarifies – otherwise it may sound like a penalty charge?	Richard Fairholme	A- Is everyone else happy with this?	Agree	Agree					
12	Page 13	An Irrevocable Standby Letter of Credit", issued by a UK branch of a with a long term credit rating of not less than Aa3 provided by Moody's Investors Services or such equivalent rating by Standard and Poor's Corporation (where such ratings conflict, the lower of the two ratings will be used)..The letter of credit must be issued in favour of National Grid Gas plc. The Unconditional irrevocable Standby Letter of Credit will have a deemed value of zero for the purposes of security one month prior to maturity. The accepted format of the Irrevocable Standby Letter of Credit is set out in Appendix 6.	Richard Fairholme	C - Currently says bank. Do all members agree that this should be Financial institution?  C - Take out Moody's or equivalent – Are all members in agreement with this?	"Financial Institution" better. Not sure where the words "Moody's ..." are being removed from – please clarify?	Agree to use Financial Institutions					

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13	<b>Page 18</b>	An appeal must be lodged no later than 12.00 hrs on the Business Day on which the Cash Call Notice is due for payment	Richard Fairholme	A – This would in my opinion aid clarity. C – All members to agree	Agree	Agree					
14	<b>Page 19</b>	If the appeal data is incorrect or insufficient the User will be advised that the original Cash Call remains valid.	Richard Fairholme	C – No interest is calculated where a user has appealed and the Cash call remains valid.	-	No response required.					
15	<b>Page 27</b>	<b>Practitioner (IP)</b>	Richard Fairholme	A – Updated accordingly.	Agree	No response Required					
16	<b>Page 11</b>	Secured Credit Limit. I don't think that the document presently adequately explains how the Secured Credit Limit is calculated - is it just peak indebtedness over a period of time?	James Boraston	C – Do all members agree that this section needs further clarity?	See 20 below	I don't believe this should be changed.					
17	<b>Page 2</b>	Introduction. First line should say "What are the Energy Balancing Credit Rules" - word "credit" omitted.	Gary Russell	A – Updated	Agree	Agree					
18	<b>Page 4</b>	Introduction. Second sentence should include "UNC". Uniform Network Code has been deleted but no replacement made.	Gary Russell	A – Updated	Agree	Agree					
19	<b>Page 57</b>	please can you refer to Corona Energy not just Corona in the table of "reviewers"	Gary Russell	A - Updated	Agree	-					

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20	Page 11	I don't think that the document presently adequately explains how the Secured Credit Limit is calculated - is it just peak indebtedness over a period of time?	James Boraston	C - Yes, the 'Secured Credit Limit' is calculated using peak indebtedness over the previous 12 months. Section 2 of the EBCR under heading "How is the Cash Call Limit Calculated?" gives a brief description on how this is calculated for new users and existing users. I understand from Mark Cockayne and Linda Scott that this was a point of discussion last year and a meeting was held to discuss and agree the outcome at the EBCC. This section was added and agreed by EBCC members from version 3.5 to 3.6. – Do we need to provide more clarity?	I remember the discussions and believe the wording is appropriate (albeit not that specific)	I remember these previous discussions where we agreed this brief description would suffice.					

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