

UNC Energy Balancing Credit Committee Minutes
Wednesday 23 November 2022
via Microsoft Teams

Attendees

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

Voting Members Shippers

Jane Morrison	(JM)	SSE
Thomas Grove	(TG)	Centrica
Kirsty Dudley	(KD)	E.ON

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

Please note these minutes do not replicate detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of papers are available at: <https://www.gasgovernance.co.uk/ebcc/231122>

1. Introduction

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

1.1. Apologies for absence

Laura Dawson, E.ON UK
Sharon Bright, Xoserve
Steve Mulinganie, SEFE Energy

1.2. Note of Alternates

Claire Jamieson for Sharon Bright
Kirsty Dudley for Laura Dawson

1.3. Quoracy Status

YRH confirmed the meeting was quorate.

1.4. Approval of Minutes (24 August 2022)

The minutes of the previous meeting were approved.

1.5. Approval of Late Papers

There were no late papers to consider.

2. Operational Update

2.1. Energy Cash Collection

Brendan Gill (BG) presented the EBCC Operational Statistics.

Monthly Breakdown of Cash Collected at Payment Due Date (PDD):

100% August
99.85% September
98.91% October
98% average rolling 12-month period of Cash Collected by PDD in November

Failure to Pay Notices Issued:

3 August
11 September
7 October

A monthly breakdown of invoices due was provided, reporting £113m for September and £127m in October. BG noted that the peak in March 2022 of £177m was during the same month that we saw a peak in gas prices.

Cash Calls:

13 August
25 September
6 October

Further Security Requests:

1 August
6 September
1 October

It was noted that the Significant Measurement Error adjustment invoiced in September resulted in some parties being placed into a cash-call position. Some Users also failed to update Gemini with correct trade data leading to them being in a Cash Call.

Debt Smearing:

Debt smeared £59m 2022 to date.
Some credits between October 2021 and January 2022
Upcoming debt smear for failed users was reported at £2.8m.

BG provided a table listing all the failed Suppliers/Shippers from 01 November 2018 and the status of the terminations, this included proof of debt claims for the Administrators.

Jane Morrison enquired about index linking on the debt and the ability to charge interest.

New Action 1101: Xoserve (BG) to establish whether there is a possibility within the rules to apply index linking to debts due (to the initial debt 3+ years).

Users Re-entering the Market:

BG provided an overview of the attempts by parties to re-enter the market following termination. BG confirmed that Xoserve have engaged with Ofgem to keep them inform of historical links for failed Suppliers. This is to assist with the licence application process and Ofgem's checks to validate the information provided.

Kirsty Dudley (KD) enquired if the UNC could address parties re-entering the market. It was noted that concerns have been raised with Transporters about having the right protection within the UNC for previously failed users.

BG provided the indebtedness positions at Termination and current debt position for the Committees information. No decisions were required for this.

New Users Credit List Monitoring:

BG provided a table of the credit limit monitoring undertaken by Xoserve for New Users detailing the level of security at Go-Live, an updated position on the current level of security currently in place and details behind any security increases. BG confirmed which users on the anonymous list were being placed on a watch-list. New Shipper 16 was of particular interest due to the extent of the increased level of security required.

KD asked about the balance of reporting on new users and how long they would be monitored. 12 months was considered as a reasonable period to monitor. Where no issues have evolved during the first 12 months of operating these will be taken off the monitor and captured in the business-as-usual monitoring.

3. Modifications

No Modifications raised.

4. Review of Outstanding Actions

0801: Xoserve (BG) to propose some 'place holder hot spot' meeting dates from October onwards to include Ofgem attendance.

Update: BG confirmed if there are any areas of concern, the pencilled in monthly Winter Update meetings will take place. The next meeting was 06 December 2022. BG confirmed these meetings will be utilised to provide an update in addition to any required adhoc urgent termination meetings. A weeks' notice will be provided for cancelled place holder meetings. **Closed**

5. Key Messages

It was agreed that there were no 'Key Messages' for dissemination after this meeting.

6. Any Other Business

6.1. Assurances for Security Transfer

It was noted that Steve Mulinganie (SM) had requested an update relating to a party changing entities, involving a change to short codes, their user account and securities being transferred. It was agreed that Xoserve would provide updates.

7. Diary Planning

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

Time / Date	Venue	Workgroup Programme
10:30 Wednesday 22 February 2023	Microsoft Teams	Standard agenda items
10:30 Wednesday 22 November 2023	Microsoft Teams	Standard agenda items
10:30 Wednesday 23 August 2023	Microsoft Teams	Standard agenda items
10:30 Wednesday 24 May 2023	Microsoft Teams	Standard agenda items

Action Table (as of 23 November 2022)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Due Date	Status Update
0801	24/08/22	2.1	Xoserve (BG) to propose some 'place holder hot spot' meeting dates from October onwards to include Ofgem attendance.	Xoserve (BG)	October 2022	Closed
1101	23/11/22	2.1	Xoserve (BG) to establish whether there is a possibility within the rules to apply index linking to debts due (to the initial debt 3+ years).	Xoserve (BG)	February 2023	Pending