

# Energy Balancing Credit Committee Meeting

## 23 April 2010

### Teleconference

#### Participants

<b>Joint Office (Non voting)</b>	<b>Shippers (Voting)</b>	
Bob Fletcher (BF) Chair	Jenny Higgins (JH)	RWE Npower
John Bradley (JB)	John Costa (JC)	EDF Energy
<b>xoserve (Non Voting)</b>	Richard Fairholme (RF)	E.ON UK
Mark Cockayne (MC)	Gavin Ferguson (GF)	Centrica

#### Apologies

David Trevallion	SSE
Gary Russell (GR)	Corona

#### 1. Introduction

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

BF asked if the members were willing to accept attendance from two observers. The members agreed the observers were welcome to attend this particular meeting

#### 2. Minutes and Actions from the Previous Meeting

##### 2.1 Minutes

Following an amendment to the title in section 5.3, the minutes of the 19 March 2010 meeting, were accepted.

- 2.2 Action EBC 01/03** Provide an update on the tender process to be followed for the recovery of Lehman debt. **Update:** MC advised they had received an update from Skaddens who advised the market had recently changed and payments were expected to be in the region of 26% to 28% over a 5 year period. Notices are likely to be issued soon to request bids. However, this will need to be discussed with the legal team first. In a related matter, MC advised xoserve lawyers had been contacted by LBHI securities Ltd who claim to be authorised to act on behalf of Lehman Brothers. However, this still to be confirmed and Skaddens will be advised and their opinion sought. GF asked if in hindsight it would have been beneficial to settle when offered 50% by the administrators. MC confirmed it was not a firm offer at the time as the claim had not been approved and the offer was subject to caveats.  
**PENDING**

#### 3. Operational Update

MC provided the following Operational update for March 2010:

##### 3.1 Cash Call Notices:

During March 2010, 4 Cash Call Notices were issued and all were paid. No Further to Pay Cash Call Notices were issued.

##### 3.2 Further Security Requests:

There were no Further Security Requests (FSRs) issued during March 2010.

### 3.3 Settlement:

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
February 2010	99.85%	100.00%
March 2010	100%	100%
Rolling 12 Months	99.47%	100.00%

MC explained there were no significant late payments to report in March.

## 4. Modification Proposals

### 4.1 Alternative to UNC 0233 Changes to Outstanding Energy Balancing Indebtedness Calculation

xoserve had received draft legal text and were studying it in detail. A number of issues have been identified and MC met with National Grid NTS and the legal team to discuss the drafting. An additional meeting has been arranged to discuss the draft legal text prior to its publication.

### 4.2 Further Security Request (FSR) Proposal

MC reported that a meeting had been held with the prospective Proposer (Corona Energy) who wished to know if legal text could be provided during development. Corona were advised legal text is not usually produced at this stage and further development work was required before draft text could be consider.

### 4.3 Recovery of Rating Agency provider costs via Energy Balancing Neutrality.

MC confirmed that this proposal would be raised by National Grid to facilitate the recovery of costs for Rating Agencies and would be raised in conjunction with the alternate for UNC0233 as previously advised..

## 5. Any Other Business

### 5.1 Voluntary Discontinuance by User

MC recapped that EBCC had previously agreed to the voluntary discontinuance of BHP Billiton Marketing AG. However, the discontinuance is subject to the payment of a late payment charge incurred the previous month.

## 6. Next Meeting

The next meetings:

Thursday 13 May 2010, Teleconference starting at 2.00pm;

Friday 25 June 2010, face to face meeting, venue EDF Energy's offices, Victoria, London.

**Action Log – Energy Balancing Credit Committee: 23 April 2010**

<b>Action Ref</b>	<b>Meeting Date(s)</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
EBC 01/03	19/03/10	5.2	Provide an update on the tender process to be followed for the recovery of Lehman debt.	Xoserve (MC)	Update provided 23/04/10 Pending