

Energy Balancing Credit Committee Minutes
Friday 01 March 2013
By Teleconference

Participants

Joint Office (Non voting)

Bob Fletcher (BF) Chair

Xoserve (Non voting)

Lorraine O'Shaughnessy (LO)

Mark Cockayne (MC)

Shippers (Voting)

David Trevallion (DT)

David Holland (DH)

Gavin Ferguson (GF)

Richard Fairholme (RF)

Observers

Pauline Babb (PB)

Ofgem Representative

Apologies

Dimuthu Wijetunga (DW)

John Costa (JC)

1. Introduction

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

2. Minutes and Actions

2.1 Minutes

Members had no comments on the minutes from the previous meeting.

2.2 Actions

EBC0101: Draft an EBCC view on the risks presented in the modification for review by members prior to submission to Workgroup 0429 **UPDATE:** MC confirmed the draft representation had been circulated to members for their comments. **Closed**

EBC0102: Nominate contacts for confidence and readiness testing for Gemini replatforming. **UPDATE:** MC confirmed he had received one response and meetings are taking place to discuss how the readiness testing will be managed. Updates being made through a number of forums and members advised that they had circulated requests within their organisations to assist with testing. **Closed**

3. Operational Update

LO provided the following Operational update for January 2013.

3.1 Cash Call Notices

During January there were 2 Cash Call Notice issued and they were paid on the due date.

3.2 Further Security Requests (FSRs)

There was 1 FSR issued during January 2013.

3.3 Settlement

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
December 2012	100%	100%
January 2013	100%	100%
Rolling 12 Months	99.74%	100%

There were no Failure to Pay Notice issued during January 2013.

Members acknowledge the continuing performance and thanked Xoserve for their proactive efforts in maintaining performance.

4. Modifications

An update was given on the status of the modifications of interest to the EBCC. Of particular note were:

4.1 Modifications 0395 and 0398 - Limitation on Retrospective Invoicing and Invoice Correction

There was no further update as Ofgem were considering responses received following the close of their consultation.

Post Meeting Update: Ofgem have directed that Modification 0398 be implemented with an implementation date of: 1st April 2014

4.2 Modification 0410 0410A - Responsibility for gas off-taken at Unregistered Sites following New Network Connections

MC advised that Modification 0410 is proposing a neutrality pot method that is outside the neutrality arrangements for energy balancing. It is proposed that Xoserve manage this pot and a ROM request has been received to identify the potential costs for the solution.

4.3 Modification 0429 - Customer Settlement Error Claims Process

MC confirmed the draft representation had been circulated to members for their views.

4.4 Draft Modifications

MC advised that draft modifications had all been raised and were now in progress in the modification process:

0444S: Changes to reflect demerger by APX of OCM Trading System Operator to the Trading System Clearer – Panel approved implementation of the modification. MC confirmed that amended EBC rules have been circulated in line with the modification solution and requested that EBCC members review the EBCR by 8th March for implementation on 15th March 2013. DT advised that he had reviewed the EBCR and no issues were raised with the drafting at this time.

0446S: Correction to termination date in TPD Section X4–This modification has been issued to consultation, which closes on 12 March 2013.

0447S: Exception to Code Cut Off Date for energy Balancing debt Recovery purposes – This modification has been issued to consultation, subject to confirmation at the Modification Panel to be held on 21 March 2013 that there were no issues with the legal text and confirmation of any potential system impacts. MC advised that there will not be any system impacts.

New Action: EBC 0201: Members to review the proposed amendments to the EBC rules and provide any comments they have by 08 March 2013.

5. Significant Code Review

MC advised that the next meeting of the Technical Workgroup will take place on 11 March and invites have been sent.

6. Bank Ratings Review

MC advised that two organisations were impacted due to UK AAA downgrade – Barclays and LloydsTSB and this was due to links under

government guarantee scheme. However, there was no real impact on the long term debt ratings for both.

MC noted that though the UK has been downgraded the impacts are limited as the UK economy is considered to be stable. Moodys have run a seminar and no further issues were forthcoming from this, as debt is held over longer periods of time, typically 15 years which increases stability.

MC asked members to note that the rating service contract with Moodys has been extended on a fixed price for two years at a saving of 15% on the previous agreement.

7. Lehman's- Update

MC reminded members that the Transfer document was agreed on 13 February. However, the sale was delayed, as a key member of the NG Treasury team leading the negotiations had been ill. Negotiations were taking place to reestablish the sale, though this has been complicated by the notification that a further dividend payment is to be issued by Lehman's.

Dividend values have not yet been released, but are expected in the next few weeks. Post meeting update: sale still expected to proceed with agreement that the 3rd dividend payment be forwarded onto the purchaser.

8. Gemini Replatforming

Readiness testing is being undertaken and members were reminded to provide contacts for their organisations.

9. Any Other Business

9.1 EU update

MC advised the CAM code is still being developed and an early draft has been reviewed

MC advised that each member state may need to review the credit rating rules against the EU proposals to ensure they do not conflict. This may have an impact on the EBC rules.

10. Date of Next Meeting

The next EBCC meeting will take place via teleconference on Monday 25 March 2013 at 10.30.

Action Log – Energy Balancing Credit Committee

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
EBC0101	25/01/2013	4.3	Draft an EBCC view on the risks presented in the modification for review by members prior to submission to Workgroup 0429.	Xoserve (MC)	Closed
EBC0102	25/01/2013	8.0	Nominate contacts for confidence and readiness testing for Gemini replatforming.	EBCC (All)	Closed
EBC0201	01/03/2013	4.4	Review the proposed amendments to the EBC rules and provide any comments they have by 08 March 2013.	EBCC (All)	Pending