

Energy Balancing Credit Committee Minutes
Monday 16 November 2015
via Teleconference

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office	Non-Voting
Karen Visgarda	(KV)	Joint Office	Non-Voting
David Holland	(DH)	Shipper	Voting Member
Gavin Ferguson	(GF)	Shipper	Voting Member
Gemma Truran	(GT)	Shipper	Voting Member
James Hill	(JH)	Shipper	Voting Member
Pauline Babb	(PB)	Shipper	Voting Member
Richard Fairholme	(RF)	Shipper	Voting Member
Mark Cockayne	(MC)	Xoserve	Non-Voting
Sandra Dworkin	(SD)	Xoserve	Non-Voting

Copies of all papers are available at: <http://www.gasgovernance.co.uk/ebcc/161115>

1. Introduction and Status Review

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

1.1 Approval of Minutes (19 October 2015)

Minutes from the previous meeting were approved.

1.2 Actions

1001: EBCC members to review Modification 0560 and provide any concerns to Xoserve.

MC confirmed this was discussed at the further operational meeting on 26/10/15 and agreed that a draft response would be sent to EBCC members for agreement prior to issue. This had been sent to members on 4/11/15, and had not yet been approved. MC confirmed that concerns had also been raised at the workgroup on 5/11/15. MC was now able to provide analysis to members that indicated that this issue was not material. MC stated that Modification 0560 was open to consultation 10/11/15 to 17/11/15. Members requested that Xoserve provide an amended draft letter to members for approval confirming that although the EBCC considered this to be an issue, that the values involved did not indicate a material risk.

Update: Xoserve to provide a draft letter to EBCC member's prior to issue to Joint Office. **Carried forward.**

1002: Xoserve to provide a view on the required 9 days non-delivery credit limit for parties with a current £10,000 credit limit, for review by EBCC Members.

Update: MC reported that 31 Users had been identified who sat in this specific category, and it was agreed that MC would provide further information regarding what the difference would be in relation to these Users should their secured credit limit be calculated on 9 days non-deliverability. **Carried forward.**

Operational Update

SD provided the operation report for October.

1.3 Cash Call Notices

During October there were 4 Cash Call Notices issued, all 4 were paid on the due date.

Further Security Requests (FSRs)

During October there was 1 Further Security Request.

1.4 Settlement

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
September 2015	99.54%	100%
October 2015	94.79%	100%
Rolling 12 Months	99.01%	100%

MC explained that there were 5 separate 'Failure to Pay' notices issued during October equating to nearly £793,000. One invoice was for less than £50. All invoices were paid the day after payment due date. MC explained the reasons for late payment were where the User had staffing or administration issues, which affected the payment timing. One User stated they had issues with their banking arrangements, however this was not corroborated.

2. Market Operator Security Requirements

MC confirmed that at the EBCC further operational meeting held on 26/10/15 in respect of the draft Modification 0568 from ICE Endex Gas Spot Ltd, which addressed security and daily settlement; a number of points were raised and agreed. MC confirmed these had been communicated to ICE Endex on behalf of the EBCC.

MC confirmed that modification 0568 (Security Requirements and Invoice Payment Settlement Cycle for the Trading System Clearer) had now been raised and was on V2 following feedback from the JO. MC stated that ICE Endex had taken on the feedback provided from the EBCC within the content of the modification.

A response had also been received from ICE Endex dated 12th November in relation to the concerns raised by the EBCC about the application of EMIR and their regulatory status and restrictions. This had been circulated to members prior to the meeting.

A lengthy and detailed discussion then ensued between the Committee Members regarding this matter.

It was agreed that Xoserve would construct a draft letter to ICE Endex to be agreed by the Committee Members prior to issue, detailing all the points raised by the EBCC.

New Action 1101: Xoserve (MC) to construct a draft letter for approval from EBCC members prior to being sent to ICE Endex. Requesting mitigation and contingency planning should Modification 0568 not be implemented, a further understanding of regulatory status and greater clarification around rule 305 and receipt of cash call funds.

MC to meet with National Grid regarding the process for appointing a new Market Operator if required.

3. Review of Energy Balancing £10,000 minimum security

MC confirmed Xoserve have assessed all parties with a current £10,000 security to establish if the 9-10 day non-delivery value would be higher or lower. (Please see Action 1002)

4. Modifications

Modification 0560 - (Urgent) - Addressing under-allocation of flows from BBL arising from misalignment of reference conditions

MC was able to provide analysis to members that indicated that this issue was not material. MC stated that modification 0560 was open to consultation 10/11/15 to 17/11/15. Members requested that Xoserve provide an amended draft letter to members for approval confirming that although the EBCC considered this to be an issue that the values involved did not indicate a material risk.

New Action 1102: Xoserve (MC) to provide a draft letter to EBCC member's prior to issue to Joint Office.

The Modification is available at: www.gasgovernance.co.uk/0560

Modification 0541/A/B - Removal of uncontrollable UNC charges at ASEPs which include sub-terminals operating on a 06:00 - 06:00 Gas Day.

MC explained there was a similar concern in relation to Modification 0541/A/B and that SD had drafted a response, which had already been circulated to the Committee Members. RF proposed that perhaps this should be re-drafted in the form of a 'Workgroup Paper' then this could be added to the agenda for the next meeting, SD agreed and said she would amend the document accordingly.

New Action 1103: Xoserve (SD) the Modification response for 0541/A/B to be re-drafted in the form of a 'Workgroup Paper' and added to the agenda for the next meeting

The modification is available at: www.gasgovernance.co.uk/0541

Draft Modification – Membership Appointment Process of the EBCC

MC confirmed that the first draft of the modification in respect of the EBCC membership appointment process had been circulated. MC thanked RF for his feedback and invited feedback at the next meeting from other Members of the Committee.

New Action 1104: Xoserve (MC) requested feedback from the Committee Members at the next meeting regarding the Membership Appointment Process of the EBCC.

5. Any Other Business

None.

6. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

EBCC meetings are scheduled as follows:

Time Date	Venue
10:30 Monday 21 December 2015	Face to Face Meeting – <i>Venue to be confirmed by Xoserve (SD)</i>

Action Table

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
EBC 1001	19/10/15	4.0	EBCC members to review Modification 0560 and provide any concerns to Xoserve.	All	Carried forward
EBC 1002	19/10/15	7.1	Xoserve to provide a view on the required 90-day on-delivery credit limit for parties with a maximum £10,000 credit limit, for review by Members.	Xoserve (MC)	Carried forward
EBC 1101	16/11/15	2.1	Xoserve (MC) to construct a draft letter for approval from EBCC members prior to being sent to ICE Endex. Requesting mitigation and contingency planning should Modification 0568 not be implemented, a further understanding of regulatory status and greater clarification around rule 305 and receipt of cash call funds. MC to meet with National Grid regarding the process for appointing a new Market Operator if required.	Xoserve (MC)	Pending
EBC 1102	16/11/15	4.1	Xoserve to provide a draft letter to EBCC member's prior to issue to Joint Office.	Xoserve (MC)	Pending
EBC 1103	16/11/15	4.1	Xoserve (SD) the Modification response for 0541/A/B to be re-drafted in the form of a 'Workgroup Paper' and added to the agenda for the next meeting.	Xoserve (MC)	Pending
EBC 1104	16/11/15	4.1	Xoserve (MC) requested feedback from the Committee Members at the next meeting regarding the Membership Appointment Process of the EBCC.	All Committee Members	Pending