

**Energy Balancing Credit Committee Minutes**  
**Friday 25 May 2012**  
**via teleconference**

**Participants**

**Joint Office (Non voting)**  
Bob Fletcher (BF) Chair

**Shippers (Voting)**  
David Holland (DH)  
David Trevallion (DT)  
John Costa (JC)  
Richard Fairholme (RF)

**Xoserve (Non voting)**  
Lorraine O'Shaughnessy (LO)  
Sam Moody (SM)

**Observers**

**Ofgem Representative**

**Apologies**  
Adhir Ramdarshan  
Gavin Ferguson  
Jon Wisdom

**1. Introduction**

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

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

**2.1 Minutes**

The following amendments to the previous meetings minutes, Section 12, Paragraph 2 were agreed. The minutes from previous meeting were then approved.

“MC advised that around 2002, there were changes to the insolvency laws across Europe to bring them in line. This mean that it is possible to pursue claims with a party both in the UK and a different member state country simultaneously.”

**2.2 Actions**

**Action EBC 01/04:** Review the number of payment issues created due to a bank's failure to pay on behalf of its client.

**Update:** LO advised that it has been confirmed that RBS have recently changed their internal processes, which created a number of problems.

The issues should now be resolved. **Closed**

**3. Operational Update**

LO provided the following Operational update for April 2012.

**3.1 Cash Call Notices**

During April there were 9 Cash Call Notices issued, 6 were paid and 2 were withdrawn following appeal.

**Further Security Requests (FSRs)**

2 Further Security Requests were issued during April 2012.

**3.2 Settlement:**

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
March 2012	99.99%	100%
April 2012	99.11%	100%
Rolling 12 Months	99.28%	100%

LO advised that 2 failure to pay notices were issued during April. Details provided in Action 01/04.

**4. Modifications**

**4.1 Alternative to UNC 0233V - Changes to Outstanding Energy Balancing Indebtedness Calculation**

No further update.

**4.2 Trading System Operator**

LO advised that a number of members had been approached to sponsor the modification, however none were able to undertake this role for various reasons. No further comments on the drafting were made during the meeting. LO advised that they will contact National Grid NTS to advise them of the modification if EBCC members were unable to do so, LO did state, that due to the work currently being undertaken by National Grid NTS in the Significant Code Review, the modification will be a lower priority. JC advised that he is considering whether they would be willing to sponsor and advised that they will review the draft and provide comments by end of next week

**Action EBC 01/05:** JC to review Modification and provide feedback by end of next week.

#### 4.3 **Modifications 0395 and 0398**

BF advised that the final workgroup meeting was held yesterday and that the amended Final Modification Reports were to be submitted to the June Panel.

The Panel will be considering their options as these are the first modifications to be sent back under Ofgems send back powers, though it is likely they will be issued for consultation as Ofgem have expressed a desire for this to happen.

### 5. **Significant Code Review Update.**

No further update.

### 6. **Any Other Business**

#### 6.1 **Bank Rating**

LO advised that 3 banks were downgraded yesterday - DMB Bank ASA, Nordea Bank Finland and Svenska Handelsbanken AB. There was no significant impact at this stage due to the proactive actions taken previously to manage these possibilities. LO advised that Moodys were currently reviewing all banks so there may be some more downgrades during June.

LO advised that Users will be asked to confirm what contingency security arrangements they have in place should further downgrades happen.

SM advised that they have provided drafting to amend the Energy Balancing Credit Rules to formalise the 90 days moratorium for those Users required to provide new credit arrangements at short notice. SM asked members to provide comments on the drafting. An amended version is to be circulated for approval, though the rules will not be updated until the overall review has been completed.

**Action EBC 02/05:** SM to update comments received from DT and send out final drafting for approval.

#### 6.2 **Energy Balancing Credit Rules**

SM gave an overview of the proposed review of Energy Balancing Credit Rules and advised that a further internal review is underway and a revised drafting will be circulated shortly.

6.3 Lehmans

SM advised that offers had been received from 3 banks and that these were being considered with Skaddens. A short notice meeting may need to be convened to update members on actions required to progress the sale.

DT asked if we needed notification for forthcoming/planned holidays. LO agreed that this would be beneficial in particular for impromptu meetings

**New Action EBC0305:** Members to provide notification to LO

7. **Date of Next Meeting**

The EBCC meeting will take place via teleconference on:

Friday 28 June 2012, at 10.30.

**Action Log – Energy Balancing Credit Committee**

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
EBC 01/04	27/04/12	3.2	Review the number of payment issues created due to a banks failure to pay on behalf of its client.	MC/LO	Closed
EBC 01/05	25/05/12	4.1	Provide Feedback/Comments by 1.6.2012.	JC	Pending
EBC 02/05	25/05/12	6.1	Update comments received from DT and send out final drafting for approval.	SM	Pending
EBC 03/05	25/05/12	6.3	Provide their availability to attend additional meetings between June and October.	All	Pending