

Energy Balancing Credit Committee Minutes
Monday 17 December 2012
By Teleconference

Participants

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

Shippers (Voting)
David Trevallion (DT)
Gavin Ferguson (GF)

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

Observers

Ofgem Representative

Apologies
Adhir Ramdarshan
David Holland
Dimuthu Wijetunga
John Costa
Mark Cockayne
Richard Fairholme

1. Introduction

BF welcomed the members to the meeting, which was not quorate.

2. Minutes and Actions

2.1 Minutes

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

2.2 Actions

No outstanding actions to review.

3. Operational Update

LO provided the following Operational update for November 2012.

3.1 Cash Call Notices

During November there were 6 Cash Call Notice issued, 4 were paid on the due date and 1 was unpaid and 1 withdrawn.

3.2 Further Security Requests (FSRs)

There were 2 FSRs issued during November 2012.

3.3 Settlement

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
October 2012	99.91%	100%
November 2012	100%	100%
Rolling 12 Months	99.34%	100%

There was 1 Failure to Pay Notice issued which was satisfied.

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

LO advised that Ofgem has published a minded to letter requesting representations by 25 January 2013. Ofgem were considering rejecting Modification 0389 and implementing Modification 0395.

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

SM advised that the ROM is now in progress and that it was anticipated that both modifications would be considered to be subject to User Pays.

4.3 Modification 0429 - Customer Settlement Error Claims Process

SM advised that Ofgem have made a number of comments to the proposers and it is anticipated this will require a number of changes to the modification. The next meeting is due to take place on 18 December 2012.

4.4 Draft Modifications

SM advised that no further progress has been made other than National Grid NTS is progressing the drafting and that the modifications are tied in with the SCR. A meeting with National Grid is due to take place on 18 December 2012 and an update is to be provided at the next meeting.

5. Significant Code Review

LO advised that Xoserve had brought the consultation to the attention APX, who are considering making a representation even though they have missed the consultation date. SM advised that Ofgem has contacted MC to discuss the EBCC representation and that he had advised them the EBCC as a whole would need to be involved in any discussions. DT and GF advised they had not been contacted by Ofgem regarding the response.

6. Bank Ratings Review

LO advised that there have been a number of bank downgrades but there have been no significant impacts on Users. Xoserve has been proactively contacting Users to ensure they have suitable alternative provisions in place. Contingency planning is being undertaken to consider the potential downgrading of UK rating, though there is no expectation at present. Credit agencies are being contacted for their views.

LO advised that Bank of Nova Scotia has been downgraded and Barclays are on watch. The later is of concern as a number of Users could be impacted and proactive action is under way to ensure they have additional security provisions available.

7. Lehman's- Update

LO advised that 4.02% of the debt has been paid and this will be smeared back to Users on the November Energy Balancing Invoice issued on 7th January 2013 – this equals around £400k. Two of the three banks interested in buying the remaining debt are in the process of revising their quotes and the updated values should be available by the next EBCC meeting. .

8. Gemini Replatforming

LO advised that there were no significant issues identified during UAT and that implementation is still on target for June 2013.

9. Customer Satisfaction Review

LO advised that overall customer satisfaction had improved on 2011

position. However, a number of points were made as areas for improvement and that they would appreciate members views:

Strategy – should an annual meeting be arranged to look at potential risks or topics within the industry, which could have long term impacts. Members were supportive of this approach.

Adding value – LO explained that over all performance was rated as 84%, what could Xoserve offer to improve. DT was not sure what could be improved in terms of adding value as Xoserve were very proactive at managing risks. GF was happy with the performance of Xoserve/EBCC – work is done behind the scenes and this make the work of EBCC easier.

Quality of deliverables – Would members like to see Standards of Services introduced for aspects such as legal advice. GF was concerned that this would lead to reports, which have to be reviewed and are time consuming but don't really add any value to the process.

LO advised members that Xoserve are always happy to receive feedback and suggestions on how we can better improve our service to you and would welcome any comments.

10. Any Other Business

10.1 APX - ENDEX

LO advised that a meeting has been held with APX. They were advised that a new subsidiary company was being created called ENDEX Gas Spot Ltd and should be set up by end January 2013. Security provisions for both APX and ENDEX Spot were discussed and it was agreed that security should be independent of APX

LO confirmed that prepayment provisions for APX were discussed and are being progressed as APX were happy with the minimum security provisions required. Legal has been contacted to confirm what specifically needs to be put in place.

DT advised that he took part in a recent conference hosted by APX, where they explained their future operating model. He did not think there would be an issue with the security arrangements or exposure for the new entity.

11. Date of Next Meeting

The next EBCC meeting will take place via teleconference on Friday 25 January 2013 at 10.30.

Action Log – Energy Balancing Credit Committee

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update