

**Energy Balancing Credit Committee Minutes**  
**Monday 25 March 2013**  
**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)

Mark Cockayne (MC)

**Observers**

Pauline Babb (PB)

**Ofgem Representative**

**Apologies**

David Holland (DH)

Dimuthu Wijetunga (DW)

John Costa (JC)

Richard Fairholme (RF)

**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**

**EBC0201:** Review the proposed amendments to the EBC rules and provide any comments they have by 08 March 2013.

**UPDATE:** MC advised the amended rules have been republished, though further amendments are required following the direction to implement Modification 0466 on 16 April 2013. Members had no further comments regarding the proposed amendments for Modification 0466. **CLOSED**

**3. Operational Update**

LO provided the following Operational update for February 2013.

**3.1 Cash Call Notices**

During February there were 4 Cash Call Notice issued, 3 were paid on the due date and 1 was appealed and withdrawn.

**3.2 Further Security Requests (FSRs)**

There were no FSR's issued during February 2013.

**3.3 Settlement**

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
January 2013	100%	100%
February 2013	100%	100%
Rolling 12 Months	99.87%	100%

There were no Failure to Pay Notice's issued during February 2013.

DT asked if there were any parties having difficulties following the recent increases in energy prices. MC advised that there were a number of parties, which caused concern and these were being proactively managed.

MC advised that there have been errors where payments have been made to National Grid rather than Xoserve. National Grid has been very helpful and has transferred payments. However, one payment this month won't be transferred in time, which will impact performance for cash collection.

Members acknowledge the performance and thanked Xoserve for their proactive efforts in maintaining performance over the winter period.

**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**

MC advised that Modification 0398 is to be implemented on 01 April 2014 and that Modification 0395 was rejected. This changes the code cut off date from 4 to 5 yrs reducing it to 3 to 4 years.

#### **4.2 Modification 0429 - Customer Settlement Error Claims Process**

MC advised that he had reviewed the Legal text provided for the modification and that it may be worth members considering a response to the consultation once the Workgroup had concluded its report.

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

MC advised that the minutes from the last Ofgem workshop have been published. There is a suggestion for the external meeting and Modification 0435 workgroup combine their efforts to manage the development of a solution to these aspect of the SCR.

MC confirmed that there has been a suggestion from Ofgem that the VoLL be reduced from £20 to £14. That said, Ofgem were less concerned about the management of credit and felt this was an industry issue, though they may want to meet in future to discuss the rules whilst still wanting EBCC to manage the development of the credit rules.

#### **6. Bank Ratings Review**

MC advised that there were no significant changes to Bank ratings, though vigilance is being maintained.

DT asked if it's acceptable for an insurance company to provide a letter of credit. MC advised that the rules did not preclude this, as the rules specify that a financial institution can provide a LOC, the only provision is that it must have the appropriate credit rating.

#### **7. Lehman's- Update**

MC advised that the outstanding debt had been sold. The payment is expected today – this represents a recovery of approximately £8.6m against a total debt of £9.9m. Users will receive a portion of the monies smeared via the March EBI scheduled to be issued on 02 May 2013 .

MC advised that the Xoserve Customer engagement team would be identifying the role of Xoserve in managing this issue in its news letter to Users. GF asked if it would be useful if recognition of the EBCC involvement were associated with this good news story as it may encourage membership.

#### **8. Gemini Replatforming**

MC confirmed that implementation is still on target for 09 June 2013 and that Readiness Testing is underway, though Xoserve are disappointed at the limited participation of Users to date.

MC advised that soak testing is underway which represents 14 consecutive gas days (this includes weekends) to identify any issues

between Xoserve and National Grid systems. A number of minor problems have been identified and corrected.

Formal updates are being presented through the UK link committee Meetings and via regular weekly teleconferences.

## **9. Any Other Business**

### **9.1 Voluntary discontinuances**

LO presented details of 1 organisation that wanted to leave the market.

DT expressed an interest in this organisation.

Post meeting note:

Those Members confirming no interests in the organisation presented, unanimously determined that the party should be allowed to discontinue.

### **9.2 EU update**

MC advised that the interoperability code was circulated for comments 28 February 2013. Impacts were being considered with National Grid.

## **10. Date of Next Meeting**

The next EBCC meeting will take place at Consort House 6 Homer Road, Solihull B91 3QQ on Friday 26 April 2013 at 10.30.

**Action Log – Energy Balancing Credit Committee**

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