

Energy Balancing Credit Committee Meeting Friday 29 October 2010

via Teleconference

Participants

Joint Office (Non voting)

Bob Fletcher (BF) Chair

xoserve (Non voting)

Lorraine O'Shaughnessy (LO)

Shippers (Voting)

David Holland (DH)

David Trevallion (DT)

Gavin Ferguson (GF)

Jenny Higgins (JH)

John Costa (JC)

Richard Fairholme (RF)

Observer (Non voting)

Ofgem (Non voting)

Not present

Apologies

1. Introduction

BF welcomed the members to the meeting which was quorate and introduced David Holland as a new EBCC member effective from 1st October. It was noted that Ofgem were not represented at this meeting.

2. Minutes and Actions from the Previous Meeting

2.1 Minutes

The minutes of the previous meeting (17 September 2010) were accepted.

2.2 Actions

Action EBC08/01: Speak to relevant User and Ofgem to explain the associated risks the Proposal 0315 is attempting to address.

Update: LO advised that she had spoken to John Dixon at Ofgem and provided a copy of the Presentation and a Draft of the Energy Balancing Credit Rules to address the questions raised at the Mod Panel on 16th September. **Action Completed**

Action EBC09/01: Proposal 0315 – Provide supporting information for publication on the JO website in advance of the next UNC Modification Panel meeting.

Update: Information provided. **Action Completed.**

Action EBC09/02: Proposal 0315 - Provide comments on the draft EBCR to MC and LO as soon as possible, so redrafting can be carried out in preparation for submission with supporting papers for the Panel meeting.

Update: Comments provided to xoserve. **Action Completed.**

Action EBC09/03: Proposal 0315 – Discuss and clarify the issues with both the Ofgem and the Consumer representatives in advance of the Panel meeting.

Update: EBCC agreed to close the action as the proposal had been discussed at Panel. **Action Closed.**

Action EBC09/04: Draft Proposal (Cost Recovery for Rating Services) – Provide any comments on the draft legal text to MC/LO by 24/09/10.

Update: Comments provided to xoserve. **Action Completed.**

3. Operational Update

LO provided the following Operational update for September 2010.

3.1 Cash Call Notices

There were six Cash Call Notices issued during September and all were paid

3.2 Further Security Requests (FSRs)

There were two Further Security Requests (FSRs) issued during September 2010 and both were paid.

3.3 Settlement:

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
August 2010	100%	100%
September 2010	100%	100%
Rolling 12 Months	99.85%	100%

LO advised members in advance of the Operational Statistics for October being issued that they will notice a reduction in percentage to the Monthly Cash Collected position for October 2010. This is as a result of a User that had confirmed payment would be made on Payment Due Date, but experienced payment processing difficulties at their bank. A Failure to Pay Energy Balancing Notice was issued to the User and the Failure Notice was paid on the Payment Due Date.

4. Modification Proposals

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

LO advised that the EBCC members had agreed to put Mod 0233 on hold to await the outcome of the Ofgem Consultation on Supplier licence

arrangements. MC and LO had discussed this with National Grid NTS who confirmed that as a result of the Consultation, there would be no significant impact on the Mod and therefore, it would be advisable to continue our discussions with Modification 0233. A meeting has been arranged with National Grid during November to consider implementation of the Proposal.

4.2 Proposal 0315 - To Enhance Section X of the UNC Transportation Principal Document to improve the Energy Balancing Further Security Process

LO confirmed Panel had deferred 0315. Whilst it was agreed that the presentation given did address all the questions raised previously at the Mod panel on the 16th September, the Mod Panel were hoping to see an implementation decision from Ofgem relating to Modification Proposal 0303 prior to making a decision on 0315.

GF asked if it would be possible to see the presentation made to Panel by LO. The presentation has been published at www.gasgovernance.co.uk/ebcc/291010.

4.3 Proposal 0336 - Introduction of Balancing Neutrality Charge for Cost Recovery Associated with Rating services

LO advised members that the Proposal had been issued to the Transmission Workstream for further development and was to report to the January Panel. RF explained a number of issues relating to the funding of the agreements, which had been raised by Users at Panel. Adding, most Users were of the opinion the service should be funded through Transporters licence obligations and allowances; it shouldn't be considered as additional funding.

RF felt the Proposal was misleading and implied charges were retrospective. LO confirmed that the intention is to recover costs prospectively and advised that this could have been addressed during the Mod Panel Meeting and advised that there was a real risk that next years charges would not be recovered as the contracts were due for renegotiation during January 2011.

5. Special Administration Regime – Energy bill

LO explained the documents circulated to the EBCC from DECC. GF asked if the papers could be circulated again so that he could make his comments.

EBCC agreed, comments should be collated by the Joint Office and an EBCC response/comments provided to DECC.

EBC 10/02: EBCC members to send their comments on the Special Administration Regime to the Joint Office

EBC 10/03: BF/LO to collate comments for formal EBCC response to DECC.

6. Any Other Business

6.1 Membership of the Energy Balancing Credit Committee (EBCC)

BF advised that he had written to the Gas Forum on behalf of the EBCC requesting they consider holding a special election for additional members for EBCC.

The Gas Forum has written to their members seeking additional members for EBCC. If 3 or less seek membership, they will be appointed and elections will not be required. A progress update should be available for the next meeting.

6.2 Non Registerable Deed of Deposit

LO advised the Non Registerable Deed of Deposit is still being developed and is subject to discussions with legal teams to finalise the Draft for distribution. The aim is to issue a draft of the Deed to the EBCC members during November.

6.3 LO advised that an approach had been made by a Market Participant to allow them to present at the next EBCC meeting to discuss their Security arrangements

EBCC members agreed the presentation would be useful, though requested it is made prior to EBCC commencing its usual business on the day.

7. Next Meeting

The next meeting will be held on:

Monday 22 November 2010 commencing at 10.30 at a London venue.

Action Log – Energy Balancing Credit Committee: 17 September 2010

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
EBC 08/01	20/08/10	4.2	Speak to Ofgem to explain the associated risks the Proposal 0315 is attempting to address.	MC	Completed
EBC 09/01	17/09/10	4.2	Proposal 0315 – Provide supporting information for publication on the JO website in advance of the next UNC Modification Panel meeting.	MC/LO	Completed
EBC 09/02	17/09/10	4.2	Proposal 0315 - Provide comments on the draft EBCC Rules to MC and LO as soon as possible, so redrafting can be carried out in preparation for submission with supporting papers for the Panel meeting.	ALL	Completed
EBC 09/03	17/09/10	4.2	Proposal 0315 – Discuss and clarify the issues with both the Ofgem and the Consumer representatives in advance of the Panel meeting.	MC	Closed
EBC 09/04	17/09/10	4.3	Draft Proposal (Cost Recovery for Rating Services) – Provide any comments on the draft legal text to MC/LO by 24/09/10.	ALL	Completed
EBC 10/01	29/10/10	4.3	Seek a view from Ofgem on the likely funding options they would be prepared to consider.	xoserve (LO)	Pending
EBC 10/02	29/10/10	5.0	Send comments on the Special Administration Regime to the Joint Office	All	Pending
EBC 10/03	29/10/10	5.0	Collate comments for formal EBCC response to DECC.	Joint Office / xoserve	Pending