

**Energy Balancing Credit Committee Minutes**  
**Friday 24 October 2014**  
**By Teleconference**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office	Non-Voting
Gavin Ferguson	(GF)	Shipper	Voting
John Costa	(JH)	Shipper	Voting
Lorraine O'Shaughnessy	(LO)	Xoserve	Non-Voting
Mark Cockayne	(MC)	Xoserve	Non-Voting

**Apologies**

Esther Sutton (ES) Shipper

**1. Introduction**

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

**2. Minutes and Actions**

The minutes from the previous meeting were accepted.

**EBC 0401, 0402, 0404 and 0405:** MC confirmed that these items were being considered as a single exercise and proposed to update members at the next face-to-face meeting. This was agreed.

**EBC 406:** Members were asked to confirm their standing alternates for the coming year, which would be recorded on the EBCC page on the JO website.

**Update:** BF confirmed that four members had nominated standing alternates and these were published on the JO website. **Closed.**

**3. Operational Update**

MC provided the following Operational update for September 2014.

**3.1 Cash Call Notices**

During September 2014 there was one Cash Call Notice issued, which was paid.

**3.2 Further Security Requests (FSRs)**

There was one FSR issued during September 2014 for less than £500k.

### 3.3 Settlement

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
August 2014	100%	100%
September 2014	100%	100%
Rolling 12 Months	99.98%	100%

There was one Failure to Pay Notice issued during September 2014 for a value less than £35. This was against a small User, which is intending to leave the market and they have no access to IX as they have vacated their premises. Members noted that Xoserve were managing the situation off line to support the User exiting and noted that there is £10k security held against the User concerned.

#### 4. Modifications

None discussed at this meeting.

#### 5. Significant Code Review Update – Security of Supply

MC advised that Xoserve were developing the system rules to be implemented.

#### 6. Bank Ratings Review

There were no further updates at this meeting.

#### 7. Letter concerning Non Registrable Deposit Deed

MC explained the content of the letter from a User which had been circulated to members prior to the meeting. The User was challenging the level of security they were being asked to provide under the amended procedures and they highlighted that their behavior in the market had changed, so they felt the increase was not justified.

MC advised that Xoserve was of the opinion that it would be inappropriate to request additional security in these circumstances and it would have been unlikely that it would have been requested had the User provided the additional information earlier.

Both GF and JC were concerned that treatment of all parties should be even handed and this should be discussed further at the next meeting, although the security levels should not be increased until after this meeting if it is considered appropriate to do so.

MC agreed to reply to the User advising that further analysis is to be undertaken for member's consideration and a decision would be taken on a solution that is fair to all parties. However, the Users current security levels would not be changed prior to the review.

Members agreed to discuss the security calculations and appeal mechanisms at the face-to-face meeting in November.

**New Action EBCC1001** MC to write a response to the User and advising review is to be undertaken and their security arrangements will not be changed prior to the review.

## **8. Any Other Business**

### **8.1 Market Operator – potential reduction of settlement period**

There were no further updates at this meeting.

### **8.2 Enron Administration (ENP shortcode)**

There were no further updates at this meeting.

### **8.3 Energy Balancing Invoice – Project Nexus Go-Live**

MC advised that the billing calendar is currently being finalised for next year and that the dates agreed previously for the issue of the EBI will also be shared at Xoserve's next Industry Engagement Forum.

### **8.4 Russia Sanctions**

MC confirmed an organisation is currently going through the User Admission process, however they have been impacted by sanctions in place in Europe and USA. The sanctions were not energy related however Barclays will not process transactions and therefore payment and credit provision could not be put in place.

A number of banks have been contacted and none would offer the services required. Ofgem have been made aware of the issue as it placed transporters in a difficult position, as they are not able to accept a new market entrant.

### **8.5 Security**

There were no further updates at this meeting.

### **8.6 Membership**

Members raised concerns that the Gas Forum had not nominated any new members following its consultation. However, they were

aware that as the market appeared to be stable, this reduced the likelihood of additional members coming forward as there were no major issues or concerns.

GF asked if it is possible for a company or group to nominate more than one member, as the expectation is members represent the industry and a not a company view. BF was concerned that it may not help in some discussion, particularly where a company may have a declared interest in a subject for discussion.

**New Action EBCC 1002** – Joint Office to identify if it is possible for a Company to nominate more than one Member of EBCC.

**9. Date of Next Meeting**

**EBCC meetings scheduled as follows:**

Date	Location
Monday 24 November 2014, 10:30	To be confirmed
Monday 22 December 2014, 10:30	Via teleconference

**Action Log – Energy Balancing Credit Committee**

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
<b>EBC 0401</b>	30/04/14	5.1	<i>Review of Mind Maps: Provision and deployment of extra resources</i> – Establish how costs might be funded/recovered.	Xoserve (MC)	<b>Carried Forward</b>
<b>EBC 0402</b>	30/04/14	5.1	Xoserve to write out to all Users with a forecast of Security Values calculated at £14 a therm based on Users peak exposures for previous 12 months.	Xoserve (MC)	<b>Carried Forward</b>

<b>Action Ref</b>	<b>Meeting Date(s)</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>EBC 0404</b>	30/04/14	5.1	<i>Review of Mind Maps: EBCC Operation</i> - MC to establish and engage with an appropriate National Grid NTS contact to support the EBCC in the event of market failure.	Xoserve (MC)	<b>Carried Forward</b>
<b>EBC 0405</b>	30/04/14	5.1	<i>Review of Mind Maps: EBCC Operation (Minutes)</i> – Review previous templates and devise/streamline where appropriate for use in an emergency situation.	Xoserve (LO)	<b>Carried Forward</b>
<b>EBC 0406</b>	29/04/14	7.6	Members were asked to confirm their standing alternates for the coming year, which would be recorded on the EBCC page on the JO website	Members	<b>Closed</b>
<b>EBC 1001</b>	24/10/14	7.0	Write a response to the User and advising review is to be undertaken and their security arrangements will not be changed prior to the review	Xoserve (MC)	<b>Pending</b>
<b>EBC 1002</b>	24/10/14	8.6	Identify if it is possible for a Company to nominate more than one Member of EBCC	Joint Office (BF)	