

Energy Balancing Credit Committee Meeting By Teleconference 17 April 2009

Participants

Joint Office (Non voting)

John Bradley (JB) Chair

Shippers

Carl Wilkes (CW)

RWE

Gary Russell (GR)

Corona Energy

Gavin Ferguson (GF)

Centrica

Julie McNay (JM)

Scottish and Southern
Energy

Richard Fairholme (RF)

E.ON UK

xoserve (Non Voting)

Mark Cockayne (MC)

Loraine O'Shaughnessy
(LOS)

Ofgem (Non Voting)

Raihana Braimah (RB)

Apologies

Ed McDonald (EM)

ScottishPower

1. Introduction

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

2. Minutes from the Previous Meeting

The minutes from the previous meetings held on 17 February 2009 and 20 March 2009 were approved.

3. Actions Update

The meeting closed actions EBC 01/02, 02/02, 04/02, 05/02 and 06/02 that were provisionally closed at the meeting on 20 March 2009

EBC 11/03: xoserve (MC) to draft a Modification Proposal to address the identified exposure from Users who are traders at the NBP.

It was agreed that the Committee would discuss this further once a decision had been taken on 0233V. **Carried Forward**

EBC 03/02: xoserve (MC) to investigate the possibility of providing and/or publishing on its website a list of 'acceptable' financial institutions together with a percentage figure for headroom.

MC reported that permission had to be sought from each financial institution for their name to be included. This was being sought and a further update will be provided at the next meeting. **Carried Forward**

4. Operational Update

MC provided the following Operational update:

The EBCC Pack was issued on 14 April 2009 and placed on the Joint Office website.

Cash Call Notices:

During March 2009, there were seven Cash Call Notices (CCN) issued. Six were paid on the due date. There was one Failure to Pay (FTP) Cash Call Notice which was paid.

Further Security Requests:

Three Further Security Requests were issued during March 2009.

Settlement:

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
February	99.70%	100.00%
March	100.00%	100.00%
Rolling 12 Months	98.82%	100.00%

5. Modification Proposals

JB advised that Proposal 0233 had been varied to become 0233V and following consultation had received unanimous support from the Modification Panel. RB advised that Ofgem was evaluating the Proposal.

JB drew the committee's attention to Review Proposal 0252 "Review of Network Operator Credit Arrangements". Whilst it was not intended to review Energy Balancing credit arrangements, the Terms of Reference refer to changes that have taken place to inform possible changes to transportation credit.

MC was drafting a UNC Proposal for Energy Balancing Neutrality to finance xoserve credit management's subscriptions to Standard and Poor's and Moody's Financial Services. He repeated his request that a member sponsor this proposal.

EBC01/04: xoserve (MC) to draft a UNC Modification Proposal for payment of Standard and Poor's and Moody's subscription.

MC also drew the Committee's attention to a current issue with the application of the cash-call provisions within the Energy Balancing Credit Rules. This is giving rise, in the case of one User, to a number of Further Security Requests (FSR). He suggested that the FSR rules needed amending and that this should be done through a change to UNC Section X, rather than through a change to the Energy Balancing Credit Rules. This suggestion was accepted in principle by the Committee.

EBC02/04: xoserve (MC) to draft a UNC Modification Proposal for revised Further Security Request provisions.**6. Energy Balancing Credit Rules**

MC tabled draft 3.10 that reflects the Uniform Network Code following the implementation of UNC Modification 0234 "To Correct Drafting Inconsistencies between Sections X and V of the UNC in Respect of User Default and Termination" within the appended letter proformas. It also provides clarification in respect of retention of Security by Users for 90 days. Changes were made on line and the document was approved unanimously. Members further agreed for the notice period to be waived and for the changes to become effective immediately following publication via the Joint Office.

7. Any Other Business

JB advised the Committee that BD had left StatoilHydro and this company was unable to advise on contact details. JB had emailed the Gas Forum and StatoilHydro about a replacement.

Members expressed concern that until a replacement was found there would be only six potential members available when the quorum is five. The meeting discussed a number of solutions and asked JB to outline these in a note to the Committee for further consideration.

EBC03/04: Joint Office (JB) to consider and circulate potential changes to rules on quorum and approaches to be made to the Gas Forum.

8. Next Meetings

The next meeting will be held on Friday 22 May 2009 at 10.00. This will be a teleconference. Members will consider whether the following meeting on Friday 19 June 2009 should be face to face.

Action Log – Energy Balancing Credit Committee: 17 April 2009

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
EBC 11/03	21/11/08	7	Draft a Modification Proposal to address the identified exposure from Users who are traders at the NBP.	xoserve (MC)	May be issues; to be discussed after decision taken on 0233. Carried Forward
EBC 01/02	06/02/09	3	Report on developments from the BSC/UNC comparison working group.	E.ON (RF)	Group concluded Closed
EBC 02/02	06/02/09	5	xoserve to circulate by email a final draft of the Energy Balancing Rules for EBCC members' approval. Members to respond by return.	xoserve (MC) and Members	Rules approved Closed
EBC 03/02	06/02/09	5	xoserve to investigate the possibility of providing and/or publishing on its website a list of 'acceptable' financial institutions together with a percentage figure for headroom.	xoserve (MC)	Financial Institutions being approached for permission. Carried Forward
EBC 04/02	06/02/09	5	Revise the rules to include an obligation on Users to provide a minimum level of security.	xoserve (MC)	Concluded that this would be of limited value. Closed
EBC 05/02	17/02/09	2	Provide a revised Operational report to the Joint Office for publication.	xoserve (MC)	Report accurate; no revision made. Closed
EBC 06/02	17/02/09	3	Redraft the Proposal including the business rules as Suggested Text and produce a variation request.	Centrica (GF) & National Grid NTS (CT) & xoserve	Redrafted Proposal issued. Closed

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
				(MC)	
EBC 01/04	17/04/09	5	Draft a UNC Modification Proposal for payment of Standard and Poor's and Moody's subscription.	xoserve (MC)	
EBC 02/04	17/04/09	5	Draft a UNC Modification Proposal for revised Further Security Request provisions	xoserve (MC)	
EBC 03/04	17/04/09	7	to consider and circulate potential changes to rules on quorum and approaches to be made to the Gas Forum.	Joint Office (JB)	