

**ENERGY BALANCING CREDIT COMMITTEE MEETING
(Teleconference)
18 July 2008**

Participants

**Joint Office Chair
(Non voting)**

John Bradley (JoB)

Shippers

Brett Date (BD)

Gary Russell (GR)

James Boraston (JaB)

Julie McNay (JM)

Lee Selway (LS)

Richard Fairholme (RF)

StatoilHydro

Corona Energy

RWE

SSE

EDF Energy

E.ON

xoserve (Non voting)

Mark Cockayne (MC)

Lorraine O'Shaughnessy (LOS)

Apologies

None

Introduction

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

Minutes from the Previous Meetings

The minutes from the previous meeting held on 20 June 2008 were agreed.

Actions Update

None

The following represents the June Operational update:

MC provided the following Operational update:

The EBCC Pack was issued on 09/07/2008 and placed on the Joint Office website.

Cash Call Notices:

During June 2008, there were twelve Cash Call Notices (CCN) issued. Two were issued and appealed, two were withdrawn, one was subject to a Failure to Pay Notice and nine were paid on the due date. There were seven Failure to Pay Notices in all.

Further Security Requests:

Two further Security Requests were issued during June 2008.

Settlement:

The following performance was reported:

Month	Payment Due Date	Payment Due Date +2
May	99.37%	100.00%
June	90.39%	100.00%

Year to date	98.51%	100.00%
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The Committee discussed the reduction in payment performance and the potential solution of using Direct Debit arrangements. Whilst payment by Direct Debit had some attractions, it was believed that a number of Shippers would oppose this on the grounds that they would no longer have the current level of control. A proposal either for introduction of Direct Debits on a voluntary basis or restricted to Shippers with a poor payment record might attract greater support. The issue was raised of the need for robust controls to ensure the correct sums were collected. Also, concern was raised on the implications of the indemnity scheme in that a Shipper might be refunded if it claimed an invoice was in error where in fact the invoice was accurate. As a change of this nature would require approval of a Uniform Network Code Modification Proposal it was agreed that MC would develop thoughts further for the August meeting.

Update on Issues from Winter Preparation Group

MC updated the progress on this. Approximately 85% of the Deeds of Undertakings have been signed and returned. MC had been in contact with Ofgem on the standardisation of these documents and it had asked to be kept informed.

Review of Risk Register

This was reviewed.

In respect to risk H1 (Loss of Gemini System – sustained loss for 1 working day or more) it was agreed that the text be revised to reflect the Gemini incident. JoB pointed out that Review Group 0217 “Gemini Code Contingency Arrangements” was looking at some aspects of Gemini System loss. RF suggested that a new risk may be required to reflect implementation of Proposal 148A “Gas Emergency Cashout Arrangements: Keeping the On the Day Commodity Market open during a Gas Deficit Emergency”. MC agreed to investigate this.

Energy Balancing Credit Rules

The Committee went through the comments received from members and agreed changes to the document. It was agreed that the revised publications would be circulated for final approval and implementation on 1 August 2008.

Emergency Cashout

MC had attended the July 2008 Transmission Workstream where this was discussed. Presentations were given by National Grid NTS, Ofgem and RWE. The matter had been left with Ofgem to host a meeting of the relevant parties including BERR and HSE.

AOB

MC reported that an internal audit had taken place on credit management and the termination process. Other than a few minor comments, the audit had given a clean bill of health to the Transporters’ processes.

The following voluntary discontinuances were agreed:

Enron Direct Limited

YE Gas Limited (JaB declared an interest and consequently took no part in the vote)

Next Meeting:

The next meeting will be 15 August 2008 at 9.30. This will be a teleconference.