

ENERGY BALANCING CREDIT COMMITTEE MEETING
18 November 2005

Participants

Joint Office (Non voting)

Julian Majdanski (Chair)
Tim Davis

Shippers

Gavin Ferguson Accord
Julie McNay SSE

xoserve (Non voting)

Jayne Deasley
Jo Tedd

Guest (Non voting)

Steve Pownall (National Grid)

Apologies

Lee Selway EdF Energy
Mark Cockayne xoserve

Introduction of Joint Office

Julian Majdanski welcomed members to the meeting, which was not quorate.

Minutes and Actions from the Previous Meetings

The minutes and actions from the previous meeting were reviewed.

The following represents October's Operational update:

Jayne Deasley provided the following Operational update:

EBCC Pack issued 09 November 2005.

Cash Call Notices:

During October 6 Cash Call Notices (CCN) were issued. Therefore the total CCN's issued year to date is 114, of which, 98 have been paid, 14 have been appealed and 13 withdrawn and 1 revised. No 'Failure to Pay' Cash Call Notices were issued during the month.

Further Security Requests:

No Further Security Requests were issued during October.

Settlement:

The following performance was reported:

Month	Payment Due Date	Payment Due Date +6
September	98.3%	100%
October	96.1%	100%
Year to date	98.56%	100%

A.O.B.

Implementation of MP 0044 "Revised Emergency Cashout & Curtailment Arrangements"

Steve Pownall (National Grid Transmission) explained how this Proposal would operate. He then answered member's questions and outlined the Impact of the two new urgent proposals 0061 & 0062.

Members present expressed concerns regarding the consequences for Credit Cover and the Neutrality Account if Modification Proposal 0061, 'Facilitating further demand-side response in the event that a Gas Balancing Alert is triggered', were implemented. They therefore wished to submit a group representation from the Committee to this Proposal. As the meeting was not quorate, the Chairman agreed to circulate a draft for all the Members to review. He would then submit the representation subject to the approval of five or more members.

POST MEETING NOTE: the approval of five members was received and the attached representation was submitted in accordance with the Modification Rules.

Next Meeting: 10:30 hours on 16 December 2005, by teleconference

21/11/2005

At the meeting of the Energy Balancing Credit Committee (EBCC) on 18/11/2005, User members considered the consequences for Credit Cover and the Neutrality Account if Modification Proposal 0061, 'Facilitating further demand-side response in the event that a Gas Balancing Alert is triggered', were implemented and wish to submit the following comments.

EBCC Members noted that, if implemented, trades arising from this Proposal would count towards indebtedness, which may impact Credit Cover.

They are also concerned that implementation could introduce significant additional complexity and difficulties for Users when identifying and monitoring associated invoices. Users are unlikely to be able to identify the associated trades, and hence be likely to inadvertently invoice National Grid NTS in the same way that invoices are raised for other trades. The complexity is particularly likely to create difficulties since any impact is likely to be rare, and those operating back office processes cannot be expected to be familiar with, and recognise, the impacts. It would be very helpful if National Grid could ensure that practical issues associated with implementation are fully taken into account, and that training and support is available both ahead of and when an incident occurs.

Yours Sincerely,

Julian Majdanski

EBCC Chairman, for and on behalf of the EBCC