

**ENERGY BALANCING CREDIT COMMITTEE
OPERATIONAL MEETING BY TELECONFERENCE
22 July 2005**

Participants

Joint Office (Non voting)

Julian Majdanski (Chair)
Mike Berrisford (Secretary)

Shippers

David Greenwell	RWE Innogy
Stacey Elliot Smith	Statoil
Dave Roberts	BGT
Duncan Church	Total Gas & Power
Gavin Ferguson	Accord
Julie McNay	SSE
Christiane Sykes	EON UK

xoserve (Non voting)

Mark Cockayne

Ofgem (Non voting)

Bryony Sheldon

Apologies

Introduction of Joint Office

Julian Majdanski welcomed members to the meeting which was quorate.

Minutes and Actions from the Previous Meetings

The minutes and actions from the previous meeting were reviewed the following actions were carried forward:

Multiple User Letter of Credit

Update: Letter of Credit from xoserve Legal Council has been agreed, side letter regarding Operation of Credit Limits to be amended by xoserve Legal Council and issued following review in approximately one weeks time

The following represents May's Operational update:

Mark Cockayne provided the following Operational update:

EBCC Pack issued 07 July 2005, however problems with the links necessitated a re-issue on 11 July 2005.

Cash Call Notices:

During June 2 Cash Call Notices (CCN) have been issued making a total of 104 CCN's year to date, of which, 91 have been paid, 13 have been appealed and 12 withdrawn and 1 revised. No Failure to Pay Cash Call Notices were issued during June.

Further Security Requests:

A total of only 1 Further Security Request was issued during June, with a value between £10,000 and £100,000.

Settlement:

The following performance was reported:

Month	Payment Due Date	Payment Due Date +6
May	95.9%*	100%
June	99.3% **	100%
Year to date	99.28%	100%

** relates to invoicing problems and issues with bank details and users own internal governance procedures.*

*** In June 7 FTPN's (Failure to Pay Notices) were issued. All were for nominal values and reflected problems surrounding holiday cover.*

Modification Update

Potential MODS

Mark Cockayne advised that a draft modification proposal to review contract and moving accounts to xoserve has been raised and is currently with Transco NTS for review before formal submittance to the July 2005 Uniform Network Code Modification Panel.

Update: draft modification proposal agreed by NGT internal governance, however deferred for two (2) months due to current workload and low impact status. NGT are aware that they will incur costs from the delay, but are comfortable with this.

Shrinkage Overview

Julian Majdanski, Joint Office of Gas Transporters to refer aspects of the UNC legal drafting back to the NGT Blackwater project team (Transco defined as a User within Code, but can not be terminated etc. DNO classification throughout Code).

Update: Julian informed members that no response from the NGT Blackwater team has been received and that the team has now been disbanded, therefore Julian will refer to NGT Legal team for comment.

Bryony Sheldon, Ofgem to seek a view from Ofgem on the above

Update: Bryony advised that Ofgem has mixed views and is looking for xoserve to provide additional information. Mark Cockayne advised that xoserve feel that they are not in a position to provide historical financial data, but will ask Transco for its views on releasing such information.

Mark Cockayne, xoserve to investigate the adoption of 'Best Practices'

Update Mark Cockayne advised that this issue related to the communication to NO's (Network Operators) in the event that the EBCC determines that a Termination Notice should be issued. Mark requested that members give consideration to advising all NO's in advance of such Notice being issued to a User.

Julian Majdanski suggested that members might like to provide their responses on this matter via the issue of these minutes.

A.O.B

Julian Majdanski provided an update of the progress of the following Modification Proposals:

0026 "Application of Charges consistent with Late Payment of Commercial Debts (interest) Act 1998" – this one will benefit the EBCC

Update: At the Modification Panel meeting on 21 July 2005 Panel members deferred a decision until the teleconference meeting scheduled to take place at 13:00hours on 08 August 2005.

0027 “Right of Set Off under Uniform Network Code” – depending upon the legal drafting this may have an impact on the EBCC. Mark is of the view that the legal drafting needs to explicitly state ‘Transportation Only’.

Update: At the Modification Panel meeting on 21 July 2005 Panel members deferred a decision until the teleconference meeting scheduled to take place at 13:00hours on 08 August 2005.

0028 “Third Party Undertakings”

Update: Withdrawn 07 July 2005.

0034 “Netting off of Payments and Credits relating to Transportation Charges”. Mark Cockayne indicated that he does not perceive any impact for the EBCC.

Action: Julian to ensure circulation of this modification proposal along with the two new Credit modifications proposals as approved by the 21 July 2005 modification panel, with these minutes.

Mark Cockayne brought it to the attention of the members that a User has requested a variation to the Letter of Credit. The variation refers to Section 7 amendment, as follows:

Replace “we” with “Name of the Bank and Transco plc” providing the guarantee.

Mark, suggested that although normally changes are avoided, however an official request had been received from the User concerned to seek agreement via the EBCC, Mark advised that he believed that this change was not material and did not vary the intent of the original guarantee.

The EBCC members present voted UNANIMOUSLY to accept the variation.

Julie McNay enquired why the NGT Credit Modification Proposals were issued with the June 2005 meeting minutes. Both Mark and Julian responded to say this was to provide members with the appropriate background information.

Next Meeting: Teleconference at 11:00 hours on 19 August 2005.