

## UNC DSC Credit Committee Minutes

### Monday 23 July 2018

### via teleconference

#### Attendees

Rebecca Hailes (Chair)	(RH)	Joint Office	Non-Voting
Helen Bennett (Secretary)	(HB)	Joint Office	Non-Voting
Adam Lane	(AL)	Shipper	Voting Member
Ian Clark	(IC)	Transporter	Voting Member
Mark Cockayne	(MC)	CDSP	Non-Voting
Phil Lucas	(PL)	Transporter	Voting Member
Sallyann Blackett	(SB)	Shipper	Voting Member
Sandra Dworkin	(SDw)	CDSP	Non-Voting
Sue Davies	(SDa)	Transporter	Voting Member

Copies of all papers are available at: <https://www.gasgovernance.co.uk/DSC-credit/230718>

#### 1. Introduction and Status Review

Rebecca Hailes (RH) welcomed everyone to the meeting.

##### 1.1. Apologies for absence

None received.

##### 1.2. Note of Alternates

None.

##### 1.3. Approval of Minutes (25 June 2018)

It was highlighted that in Item 2. The initial SD and should be SDa. The minutes will be updated and published.

On that basis, the minutes from the 25 June 2018 were agreed.

##### 1.4. Review of outstanding actions

No outstanding actions.

#### 2. Approve changes to the DSC Credit Rules/DSC Security

Sandra Dworkin (SDw) confirmed that there were no changes to consider this month.

#### 3. CDSP Operational Report

##### 3.1. CDSP cash collection update

The following performance was reported for cash collected:

Month	Payment Due Date	Payment Due Date +3
May 2018	96.07%	99.95%
June 2018	97.78%	99.24%

The April 2018 Specific Services included the IX annual maintenance charge; for some customers this is the only invoice they receive from Xoserve.

SDw then provided an overview as below:

31 Notices of Failure to Pay Invoices in June issued in relation to £171,962.82.

- 19 Failure Notices related to Specific Services – all are paid now apart from River Humber and River Bean. The April 2018 Specific Services included the IX annual maintenance charge, for some customers this is the only invoice they receive from Xoserve.
- 2 Notices related to Additional Services internal issues – one customer, River Bean, is a regular late payer however they have now implemented a new Accounts Payable (AP) process.
- 10 Notices related to Third Parties of which only 2 were over £150. These 2 are now paid in full.

SDw stated as previously reported the debt still outstanding was relation to two companies that were in administration GB Energy £5,246.44 & Future Energy (Supply) Ltd - £332.36.

There are two customers who have already been escalated to the DSC Credit Committee, action is deferred until 27/07/18:

Invoice Date	Contract Invoice type &	Month Bill	Due Date	River Name	Total
23/05/18	Specific Services	Apr-2018	21/06/18	River Humber	£9,720.00
23/05/18	Specific Services	Apr-2018	21/06/18	River Bean	£5,899.00

River Humber had to raise a PO and have confirmed the payment has now been processed, this is their first annual IX charge.

River Bean require a tax certificate, this can take 28 days.

**3.2. CDSP security management update**

SDw provided an update on customer’s security:

- 93% of customers are unsecured supported by a Published Credit Rating from Experian, Graydons or D&B.
- 5% of customers have a credit limit of £150 or below and are not supported by a Published Credit Rating.
- 2% are underwritten by a third-party Parent Company Guarantee.

SDw explained that 2 Third Party Contract customers currently have had their ratings reduced to zero and that the CDSP are working with the customers to either provide alternative security, pre-pay or to receive immediate billing terms, thus reducing exposure.

**3.3. Breach of a DSC Credit Limit, late or non-payment of CDSP Charges**

SDw confirmed that late breaches already highlighted above (2 Failure to Pays escalated to DSC Credit Committee deferred action to 27/07/18).

**3.4. Further actions following failure notices**

SDw confirmed that there had been no actions following failure notices for June.

**4. Update on Transform Us**

Mark Cockayne (MC) confirmed as previously advised that Xoserve had opted for an off the shelf system SAP 4 HANNA to reduce cost and minimise impact in the future when implementing changes. As a result, Xoserve advised that a process change was required to bill in calendar days.

MC reminded members that the specific condition from the DSC Terms and Conditions v1 is as follows:

5.2 Subject to the Credit Policy, each Customer shall, within twenty (20) business Days following the date of the invoice, pay each invoice submitted by the CDSP in full and in cleared funds to a bank account nominated in writing by the CDSP. No sum payable due from a Customer under the DSC shall be subject to any deduction, set-off or withholding of any nature except to the extent expressly permitted pursuant to the DSC.

MC stated that by setting the payment due date to 28 calendar days in our system we believe this will still meet our contractual requirement to ensure the payment due date is within 20 Business Days following the date of the invoice. SDw confirmed that clarification could be provided within the DSC Credit Rules. This solution would avoid raising a modification to the DSC Terms and Conditions or a system change.

Phil Lucas (PL) requested an understanding from Xoserve as to what the driver is for this change so that he could feed back to his team prior to any decision making, MC explained the expectation from the DSC Credit members and that any decision making should be made within the committee without involvement outside of the committee.

SDw advised the first time this would be seen would be January 2019 and she will issue a communication outlining the proposal for email approval.

**New Action 0701: SDw to draft an update to the Credit Rules and seek email approval. To be in effect from October 2018.**

## 5. Any Other Business

### 5.1. Membership options

RH explained, in terms of DSC Credit membership, the rules are silent on exactly how the membership is recruited.

She confirmed no nominations have been received to date although SB advised the request for Nominations had not been received.

RH confirmed that Joint Office are planning to reopen the nomination window and that there are 12 seats available on DSC Credit. The split of the number of members between shippers and transporters is not specified.

### 5.2. August 2018 meeting

The availability of attendees was discussed for the August 2018 meeting due to be held on 20 August 2018. Due to the summer holidays it was agreed that an Operational Update will be issued instead of a meeting being held, subject to no new issues arising.

## 6. Diary Planning

*Further details of planned meetings are available at:*

<https://www.gasgovernance.co.uk/events-calendar/month>

**\*Please note the August meeting will be the provision of an Operational Update only, subject to no new issues arising.**

Time / Date	Venue	Workgroup Programme
* 20 August 2018	No Teleconference	Operational Update only
14:30 Monday 24 September 2018	Teleconference	Standard agenda items
14:30 Monday 22 October 2018	Teleconference	Standard agenda items
14:30 Monday 19 November 2018	Teleconference	Standard agenda items

14:30 Tuesday 18 December 2018	Teleconference	Standard agenda items
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**Action Table (as at 23 July 2018)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0701	23/07/18	4.0	SDw to draft an update to the Credit Rules and seek email approval. To be in effect from October 2018.	Xoserve (SDw)	Pending