

UNC DSC Credit Committee Minutes
Tuesday 18 December 2018
via teleconference

Attendees

Chris Shanley (Chair)	(CS)	Joint Office	Non-Voting
Helen Cuin (Secretary)	(HCu)	Joint Office	Non-Voting
Adam Lane	(AL)	Shipper	Voting Member
Brendan Gill	(BG)	CDSP	Non-Voting
Ian Clark	(IC)	Transporter	Voting Member
Lorette Turner	(LT)	Transporter	Non-Voting
Phil Cushen	(PC)	Transporter	Non-Voting
Pin Sandhu	(PS)	CDSP	Non-Voting
Paul Whitton	(PW)	Transporter	Voting Member
Phil Lucas	(PL)	Transporter	Voting Member
Robert Johnston	(RJ)	Shipper	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: <http://www.gasgovernance.co.uk/dsc-credit/181218>

1. Introduction and Status Review

1.1. Apologies for absence

None received.

CS welcomed Robert as a new member and noted a change in membership for Cadent from 01 January 2019, with Phil Cushen taking over from John Burke and Lorette Turner being appointed as his standing alternate.

1.2. Note of Alternates

None.

1.3. Approval of Minutes (19 November 2018)

The minutes were approved.

1.4. Review of outstanding actions

No actions to review.

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

SDw reported that the Parent Company Guarantee (PCG) amendments have now been undertaken along with some minor formatting changes.

SDw summarised the changes proposed and provided a marked-up version of the document. This included changing the document to state "England and Wales", removing references to facsimile (fax), some minor wording changes, and a change to the Xoserve logo.

SDw explained that lessons learnt are currently being reviewed following a review of the termination process which may result in some further suggested changes to the notices issued.

It was suggested that the approval of the current proposed changes would be put on hold until a finalised document could be provided to members.

It was agreed that the CDSP would provide a finalised document before the next meeting for approval in January 2019. The committee will also consider if the standard two-month notice or a shorter period will be provided.

3. CDSP Operational Report

3.1. CDSP cash collection update for September

SDw reported that the cash due to be collected in November was £6,047,133.76. The following performance was reported for cash collected:

Month	Payment Due Date	Payment Due Date +3
October 2018	98.68%	99.99%
November 2018	99.26%	99.61%

SDw noted to the committee that all debt over 3 days is escalated to the DSC Credit Committee anonymously to discuss whether to defer taking further action.

There were 15 Failure to Pay Notices issued in November, with a total value of £44,670.02. The majority was related to:

- 2 notices for General Services, paid one day late for £12k; and
- 6 notices for Specific Services for £29k.

3.2. CDSP security management update

SDw provided an update on customer security:

- Almost 98% of customers are unsecured supported by a Published Credit Rating from Experian, Graydons or D&B.
- Less than 1% of customers have a credit limit of £150 or below and are not supported by a Published Credit Rating.
- Almost 2% are underwritten by a third-party Parent Company Guarantee.

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

SDw highlighted a number of suppliers that had ceased trading and are currently in administration. As previously reported, there is a total outstanding debt of £37k.

The majority of this value is related to Utility Professional Business Ops, Shipper Short Code UPB, who were terminated in November with a debt of just over £30k. Administrators have been appointed.

Other traders that have ceased trading included GD Energy Supply, National Gas & Power, One Wales Energy, One Select Ltd and Snow drop, with smaller amounts of outstanding debt ranging from £5 to £5K.

The members considered the materiality of the debt, the value of debt for each trader and the likely success of recovery for the smaller amounts.

RJ suggested if the cost of recovery would exceed the value of the debt it would not warrant chasing. The members therefore considered what value of debt would be worth pursuing.

It was considered that a debt of less than £1,000 would be a reasonable value not worth pursuing. Universal support was provided not to pursue debt under £1000.

3.4. Further actions following failure notices

None reported.

4. Key Messages

CS enquired if there were any key messages the committee would like to communicate to the DSC Contract Management Committee or wider industry.

PL enquired if any communications had been provided to the DSC Contract Management Committee regarding UBP.

It was agreed that Xoserve would formulate a communication for the January meeting.

Action 1201: CDSP to provide a verbal Key Messages update to the DSC Contract Management Committee (including the actions taken with regards to UBP).

5. Any Other Business

None raised.

6. Diary Planning

Further details of planned meetings are available at: <https://www.gasgovernance.co.uk/events-calendar/month>

Time / Date	Venue	Workgroup Programme
10:30 Monday 21 January 2019	Radcliffe House, Blenheim Court Warwick Road Solihull B91 2AA	Standard agenda items Termination Lessons Learnt.
14:00 Monday 18 February 2019	Teleconference	Standard agenda items Termination Lesson Learnt

Action Table (as at 18 December 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1201	18/12/18	4.0	CDSP to provide a verbal Key Messages update to the DSC Contract Management Committee (including the actions taken with regards to UBP).	CDSP (SDw)	Pending