



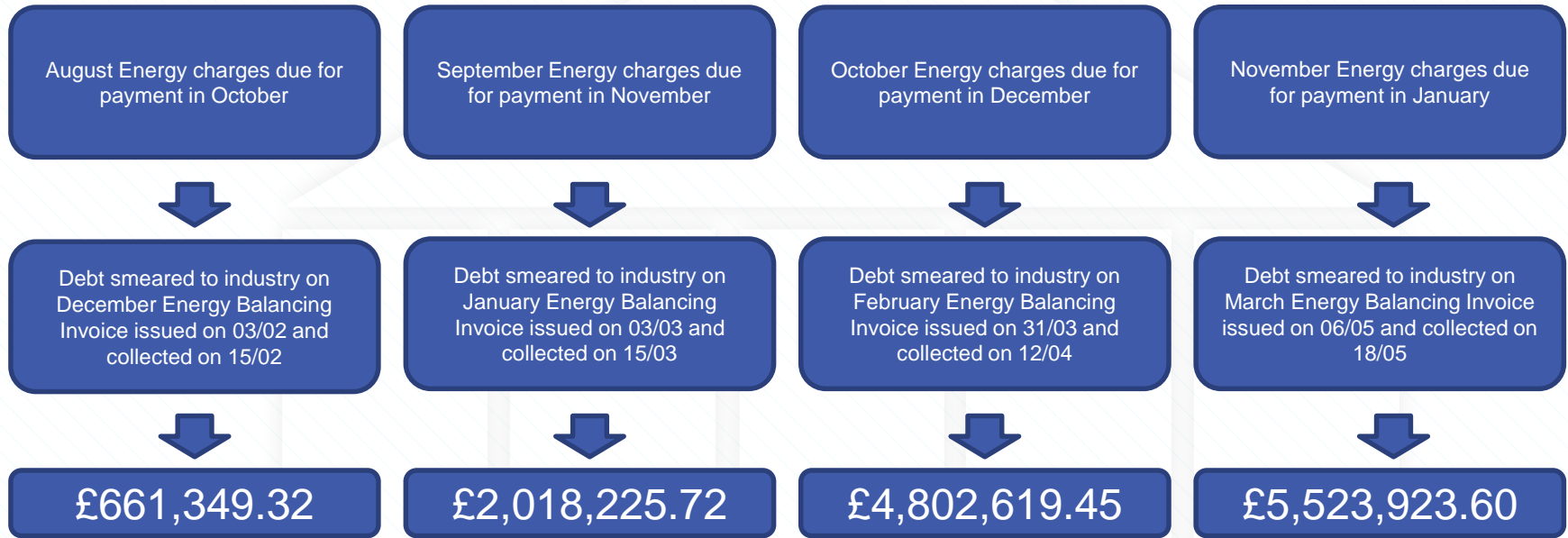
Energy Balancing

Debt Smear

Shipper Terminations in 2021

- In 2021 11 gas shippers were terminated from the UNC.
- 8 terminated following an Energy Balancing default.
- UNC X.1.1. - if a User fails to make payment of any Energy Balancing Charge when due, all other Users may become liable for (in aggregate) an equivalent amount (together with an amount in respect of the cost of financing such non-payment).
- Smear can be credit or debit
- Where insolvent all debt pursued through insolvency practitioner and any credit smeared back to industry.
- Today a 'heads up' of charges to be smeared to industry in next few months.

Energy Balancing Debt Smearing



The amount to be smeared is split equally across every gas day in the current month – this would appear as part of the CNU Neutrality charge under other sums.

The amount to be smeared for each gas day is the shippers throughput i.e. UDQI + UDQO divided by the throughput for all shippers i.e. UDQI + UDQO to give a percentage for each shipper and then this is multiplied by the total financial amount being smeared.

Note:- Throughput includes all inputs and outputs but excludes trades.

Neutrality Statement

- Published monthly detailing all Energy Balancing neutrality charges
- Located on Sharepoint site [UK Link Secured Documentation AdminDocMgmt \(sharepoint.com\)](#)
- Secured site so please contact xoserve.customer.lifecycle.team@xoserve.com who will be able to arrange access.