

**DSC Credit Committee Minutes**  
**Friday 17 March 2017**  
**Teleconference**  
**09.30-10.30**

**Attendees:**

John Burke	(JB)	National Grid Distribution
Sue Davies	(SD)	Wales & West Utilities Ltd
Pauline Babb	(PB)	SSE
Adam Lane	(AL)	Centrica Energy Markets & Trading
Mark Cockayne	(MC)	Xoserve (non-voting)
Sandra Dworkin	(SMD)	Xoserve (non-voting)

**Apologies**

Ian Clark	(IC)	Northern Gas Networks
Paul Whitton	(PW)	Scotia Gas Networks
Sean McGoldrick	(SM)	National Grid NTS
Colette Baldwin	(CB)	E.ON
James Hill	(JH)	EDF

**Agenda**

**1.0 Introduction and Status Review**

1.1. Approval of Minutes (16 February 2017)

1.2. Action(s) outstanding

**2.0 Operational Update**

**3.0 Any Other Business**

**4.0 Diary Planning**

**1.0 Introductions** MC welcomed everyone to the meeting which was quorate.

1.1 The minutes of the last meeting (16 February 2017) were approved.



**DSC Credit  
Committee Min...**

1.2 Outstanding Actions

- It was agreed that Xoserve would contact D&B and Experian to get costing and service details.  
MC reported that this had been completed and quotes received. MC discussed the findings with members comparing services and cost on a similar basis to that currently provided by Graydons. After discussion it was recommended that Experian services were adopted but any services required from D & B were completed and costed on an individual basis. It was recognised that there would not be a monitoring service with D & B but that the monitoring service provided by Graydons and or Experian would be sufficient to capture any changes in the public domain. MC reminded members that costs for the rating services would be borne by the Industry next year in line with the Budget and Charging Methodology.

MC confirmed that Experian would be appointed subject to internal governance.  
Action Closed

- Comparison of Credit Rating Reports across agencies regarding interpretation of credit limits to ensure consistency.  
MC agreed with members to discuss the reports in detail at the planned face to face meeting in April.  
Action carried forward
- Credit Rules amendments to be made and distributed.  
MC confirmed Credit Rules had been completed and would be issued after the meeting.  
Action rules to be distributed with a request to members to review and comment by Friday 24/3/17.  
MC advised that he recognised the fact that the format of the Credit Rules could be further improved and proposed that a complete review be completed by 31/10/17.  
Action further review of the DSC Credit Rules to be completed by 31/10/17.
- Confidentiality Agreement to be signed and returned by members.  
MC confirmed that following feedback that a small change had been agreed to delete the wording “and Xoserve`s instructions” in paragraph 1.1(a). Also that a member had raised a question to be discussed at the committee regarding challenges in the event a member might not have discharged their role in the committee properly, and regarding how costs would be met should that occur. MC confirmed that the costs would not be met by Xoserve. Members confirmed their understanding of this point.  
Action - amended confidentiality agreement to be issued to members.

## 2.0 Operational Update

MC provided an update regarding readiness for 1<sup>st</sup> April. At the last meeting 23.5% of DSC customers required security. Following the amendments to the Credit Rules agreed by members 17.4% of DSC customers required security.  
MC confirmed that 93% of customers had security in hand and did not anticipate any major issues for 1<sup>st</sup> April.

MC went on to highlight some areas for discussion identified whilst managing this process.

- One customer had requested to use Creditsafe as an alternative Credit Rating Agency. This was discussed by members who agreed NOT to accept Creditsafe on this occasion and that the customer still had the option of Experian or D & B in addition to Graydons.
- 4 DSC customers had low value security requirements, all less than £150. Additionally it had been identified that 26 of the Third Party Customers would require less than £100 security.  
After discussion members agreed to a proposal of £150 maximum unsecured Credit Limit in order to recover residual values with an action to review after 3 months.  
Action Xoserve to implement and monitor for 3 months.
- Group companies – one customer had requested that they order some of their Specific Services for their group via one of their group entities under the DSC contract. The proposed entity would then be billed for the group services. Currently under the User Pays Type 2 contract this is allowed. After discussion by members it was agreed that to enable this process all parties would have to be jointly and severally liable.

### 3.0 AOB

**3.1 Meeting Transition** – MC provided an update from the Joint Office. The introductory meeting for the Contract and the Change Committees is planned for 21<sup>st</sup> March. The first formal meeting of the Contract Committee is proposed as 18<sup>th</sup> April. The DSC Credit Committee will need to be formally established via the Contract Committee and used to approve the Credit Rules.

Action – MC to liaise with Joint Office to agree opening agenda and items for ratification.

**3.2 Billing Transition** – MC confirmed that the first General Services invoice is scheduled to be issued on 28<sup>th</sup> April for April Services and thereafter monthly on the 12<sup>th</sup> business day of the service month. MC stated that system changes are being completed for Specific Services. The Specific Services invoice schedule is reliant on the updates although there is an expectation that the billing date will be month end plus 11 business days in accordance with the existing User Pays schedule.

**3.3 Indebtedness Monitoring** – MC advised the Credit Team are implementing an interim solution in respect of systems as they anticipate existing systems being replaced early 2018.

**4.0** The next meeting is a face to face meeting planned for Monday 24/4/17 immediately prior to the EBCC meeting. Times to be confirmed

#### Action Table (as at 17 March 2017)

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
DSC0201	16/2/17	4	Confidentiality Agreement to be issued. Update provided 17/3/17	Xoserve SMD	Pending
DSC0202	16/2/17	5	Notification of the exclusion of Gas Transporters to provide security	Xoserve SMD	Closed
DSC0203	16/2/17	5	Explore the use of 3 rating agencies rather than 1. Update provided 17/3/17	Xoserve MC	Closed
DSC0204	16/2/17	5	Rating agency reports – comparison of interpretation for consistency. 17/3/17 agreed to review at face to face 24/4/17	Xoserve MC	Pending
DSC0205	16/2/17	5	Remove the Non Registrable Deposit Deed as a form of security from the draft DSC Credit Rules	Xoserve SMD	Closed
DSC0206	16/2/17	5	Investigate a Registrable Deposit Deed as an alternative form of security	Xoserve MC	Pending
DSC0207	16/2/17	5	Pursue pre-payment as an option	Xoserve MC	Pending
DSC0208	16/2/17	7	Draft DSC Credit Rule amendments to be collated and new version to be issued	Xoserve MC	Pending
DSC0301	17/3/17	2	£150 maximum unsecured credit limit to be implemented and monitor for 3 months	Xoserve MC	Pending

DSC0302	17/3/17	2	Liase with JO regarding opening agenda and items for ratification at the formal DSC Credit Committee		
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