

ENERGY BALANCING CREDIT COMMITTEE
OPERATIONAL MEETING
20 May 2005

Participants

Joint Office (Non voting)

Julian Majdanski (Chair)
Tim Davis

Shippers

David Greenwell	RWE Innogy
Gavin Ferguson	Accord
Julie McNay	SSE
Christiane Sykes	EON UK

xoserve (Non voting)

Jayne Deasley
Mark Cockayne

Ofgem (Non voting)

Bryony Sheldon

Apologies

Tracey Hastings	Scottish Power
Dave Roberts	BGT
Sam Parmar	Statoil
Duncan Church	Total Gas & Power

Introduction of Joint Office

The Joint Office were introduced and the EBCC were advised that going forward the Joint Office would chair the EBCC with a representative from Credit Risk Management Energy present to deliver the operational overview.

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: External opinion has been sought however due to hivedown no further progress has been made as priority has been given to amending existing security documentation to fall in line with the change in contract from Network Code to UNC. Legal will now proceed with drafting the Multiple User Letter of Credit.

Shrinkage

It was suggested and agreed that an operational overview of the Shrinkage Gas process would be delivered at the next EBCC meeting.

The following represents April's update:

EBCC Pack issued 18/05/05

Cash Call Notices:

During April 28 Cash Call Notices (CCN) have been issued making a total of 89 CCN's year to date, of which, 79 have been paid, 9 have been appealed and withdrawn and 1 revised. 4 Failure to Pay Cash Call Notices were issued during April.

Further Security Requests:

A total of 5 Further Security Requests were issued during April, 2 with a value of less than £10,000 and 3 between £10,000 and £100,000.

Settlement:

The following performance was reported:

Month	Payment Due Date	Payment Due Date +6
March	99.6%	100%
April	99.4%	100%
Year to date	98.79%	100%

Modification Update

All modifications now implemented

Potential MODS

Barclays bank currently pay/charge interest on the Neutrality Account at Base Rate – this will continue for a further 3 months from 1 May 2005 but will then be subject to normal negotiations. It has been suggested that a Mod should be raised to amend the UNC to reflect that the Neutrality Bank Account will earn/pay interest at a 'prevailing rate' rather than 'base rate'. Mod proposal will be raised and issued to EBCC to review prior to next meeting.

A.O.B

The EBCC were advised that subtle changes for the termination process had been made to Section S, X & V – it was suggested and agreed that an update would be provided at the next EBCC meeting

The EBCC were advised that although the Neutrality Account had changed name to 'xoserve Transco Neutrality Account' all account details remain the same. The name change is required to reflect that xoserve are managing the account. The account is deemed to be a client trust account.

The EBCC were advised that with effect from June 2005 separate reconciliation invoice files will be issued for Energy Balancing Charges requesting all payments to be made to the 'xoserve Transco Neutrality Account'. In addition all Adhoc Invoices containing both Energy and Transportation charges will be separated from this date. Any Energy payments made to an account other than the 'xoserve Transco Neutrality

Account' will be returned and Credit Risk Management Energy will pursue as a late payment.

Plans for the next meeting were discussed. The meeting will be held at 51 Homer Road, Solihull and will be a full day event with presentations being delivered to the EBCC during the morning and the regular operational meeting to be held in the afternoon. It has been agreed that alternative contacts will be welcome in addition to members.

It was suggested that in the event of an Emergency EBCC meeting that members would be contacted by telephone as well as by email – Julian requested that each member provides him with their mobile number.

Next Meeting: 17 June 2005, 51 Homer Road, Solihull