

UNC DSC Credit Committee Minutes

Monday 23 April 2018

via teleconference

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office	Non-Voting
Karen Visgarda (Secretary)	(KV)	Joint Office	Non-Voting
Adam Lane	(AL)	Shipper	Voting Member
Debbie Brace	(DB)	Transporter	Voting Member - Alternate
John Burke	(JB)	Transporter	Voting Member
Mark Cockayne	(MC)	CDSP	Non-Voting
Paul Whitton	(PW)	Shipper	Voting Member
Sallyann Blackett	(SBI)	Shipper	Voting Member
Sandra Dworkin	(SDw)	CDSP	Non-Voting
Smitha Coughlan	(SC)	Wales & West Utilities	Voting Member – Alternate

Apologies

Phil Lucas	(PL)	Transporter	Voting Member
Sue Davies	(SD)	Transporter	Voting Member

Copies of all papers are available at: <https://www.gasgovernance.co.uk/dsc-credit/230418>

1. Introduction and Status Review

BF welcomed the members to the meeting, which was quorate.

1.1. Apologies for absence

See above table.

1.2. Note of Alternates

Debbie Brace for Phil Lucas

Smitha Coughlan for Sue Davies

1.3. Approval of Minutes (19 March 2018)

The minutes from the previous meeting were accepted.

1.4. Review of outstanding actions

None outstanding.

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

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
February 2018	95.45%	99.81%
March 2018	95.98 %	100%

SDw confirmed that there were 18 Notice of Failure to Pay Invoices in March issued with a combined value of £41,281.07 All now paid in full.

SDw explained that the latest payment (only 1) was three business days late, and 3 paid two business days later and the rest were only one business day late in paying. She added that the five companies were part of a group who had experienced problems with their Purchase Order set up process and all the other late payments were in relation to back office internal issues. She further explained that some of these companies were regular late payers which would be addressed as part of the Late Payment Process proposal. (see Section 3.4 below)

SDw reported the debt still outstanding was in relation to two companies that were in administration with a total debt of £5578.80.

3.2. CDSP security management update

SDw provided an update on customers security:

- 92% unsecured, supported by a published credit rating by an approved rating agency;
- 6% unsecured, but exposure was less than £150, not supported by a published credit rating; and
- 2% secured exposure underwritten by a third-party Letter of Credit or Parent Company Guarantee.

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

No breaches of DSC Credit limit for March, however SDw said that a late payment had been received for River Meden which was in connection with an issue with the IBAN code set up, and that the EBCC had been working with them to ensure they now had the correct information which involved an update from the EBCC authorised signatories.

4. Update on Transform Us Programme

SDw provided an update on the Transform Us Programme confirming that Xoserve will be moving off National Grid systems to an off-the-shelf product, which is due to be implemented on 01 October 2018. Updates will continue to be provided.

5. Any Other Business

Late Payment Charges

SDw provided an overview of the 75 customers and the number of late payments that had been received from April 2017 to March 2018 following the implementation of the Funding, Governance and Ownership (FGO).

Number of Customers 75

No. of Late Payments 149

Potential Total of Interest Charges £580.33

Potential Total of Recovery Charges £8,570.00

Potential Total of Late Payment Charges £9,150.33

She then proposed the following Late Payment Process as detailed below:

Option 1 - Charge for All Late Payments	Number of Customers	75
	No. of Late Payments	149
	Total of Interest Charges	£580.33
	Total of Recovery Charges	£8,570.00
	Total of Late Payment Charges	£9,150.33

Option 2 - Charge Late Payment for Customers who paid late on 3 or more occasions	Number of Customers	19
	No. of Late Payments	79
	Total of Interest Charges	£127.13
	Total of Recovery Charges	£4,390.00
	Total of Late Payment Charges	£4,517.13

**Option 3 -
No Charge for Late Payment or alternative options**

A brief general discussion took place and it was mutually agreed that the most appropriate way forward should be to adopt Option 2.

6. Any Other Business

DB requested that she was added on to the Alternate circulation listing, to ensure she received the meeting documents prior to the meetings, and SDw confirmed this would be actioned accordingly.

7. 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 May 2018	Face to Face meeting – Lansdowne Gate, Solihull	Standard agenda items: Review of last 12 months Consideration of future 12 months Update on the Transform Us Programme
14:00 Monday 25 June 2018	Teleconference	Standard agenda items

Action Table (as at 19 Mach 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			None outstanding.		