

UNC Energy Balancing Credit Committee Minutes
Tuesday 24 August 2021
via Microsoft Teams

Attendees

Yvonne Reid-Healy (Chair)	(YRH)	Joint Office	Non-Voting
Maitrayee Bhowmick-Jewkes (Secretary)	(MBJ)	Joint Office	Non-Voting
Sharon Bright	(SB)	Xoserve	Non-Voting

Voting Members

David Holland	(DH)	ScottishPower
Jane Morrison	(JM)	SSE

Copies of all papers are available at: <https://www.gasgovernance.co.uk/ebcc/240821>

1. Introduction

Yvonne Reid-Healy (YRH) welcomed all representatives to the meeting.

1.1. Apologies for absence

Joanna Bulley.
 Thomas Grove.
 Steve Mulinganie.

1.2. Note of Alternates

None.

1.3. Quoracy Status

YRH confirmed the meeting was quorate.

1.4. Approval of Minutes (25 May 2021)

The minutes of the previous meeting were approved.

1.5. Approval of Late Papers

There were no late papers to consider.

2. Operational Update

2.1. Energy Cash Collection

Sharon Bright (SB) reported that the Cash Collection Performance had been consistently high and Cash Collection target had been achieved by Payment Due Date for May, June, and July 2021.

Month	Payment Due Date	Payment Due Date + 2	Failure to Pay Notices Issued
May 2021	99.97%	100%	4
June 2021	98.81%	100%	3
July 2021	98.28%	100%	4

2.2. Cash Calls

SB confirmed that during:

- **May 2021** there were zero (0) Cash Call Notices issued;
- **June 2021** there was one (1) Cash Call Notice issued, of which one (1) was paid, and
- **July 2021** there were zero (0) Cash Call Notices issued.

SB clarified that there were no apparent issues or signals that customers were having difficulties paying as a consequence of the COVID-19 pandemic.

New Action 0801: Xoserve (SB) to include the financial institution's headroom availability for every quarter at future EBCC meetings.

2.3. Security

SB advised all securities had been renewed ahead of expiry and no bank downgrades or credit agency alerts had been received which required any action.

2.4. Terminated Shipper Update

SB explained that four (4) Shippers had terminated since 2018 with a total debt of £13,615,016.46 which is being pursued through appointed administrators via regular updates. Furthermore, the Debt would be smeared (via Energy Balancing Invoices) 2 months after invoice due date to the community.

As of 30 July 2021, there has not been any offer of settlement from the Administrators.

Jane Morrison (JM) asked whether the debts could be escalated with the Administrators. SB confirmed she would contact Administrators to ask for an update on the debts.

New Action 0802: Xoserve (SB) to contact Administrators of terminated Shippers to request an update on the outstanding debts.

2.5. Invoicing

SB reported that as of 30 July 2021 the financial value for late paid charges accrued between May June and July is a net of -£147.86 and no issues had been recorded with invoicing.

2.6. Outlook

SB noted that the focus areas for the next quarter would be:

- Continuing to monitor financial institutions providing security and individual organisations through credit agencies.
- Continued engagement with customers to identify any issues at an early stage.
- Continuing early communications with invoicing teams to obtain invoice data earlier to forecast any potential cash calls.
- Direct Debit implementation for Energy invoices.
- Implementation of National Grid's MYFinance system and working closely with National Grid to use the new system.

2.7. Direct Debit Update

SB presented a brief update on Direct Debits, advising that Barclays had confirmed Xoserve have met all the requirements to offer Direct Debit for payment of DSC invoices and system updates have now been completed.

SB added that the collections for DSC invoices began in July 2021 and the application process for Energy Balancing invoice settlements would soon begin.

3. Outstanding Energy Balancing Adjustments

SB noted the adjustments detailed below are planned to be actioned and included on the next Energy Balancing invoice.

Shippers Affected	Billing Month	Energy Difference (Kwh)
13	March 2021	35368

JM asked what the value for this adjustment would be. SB advised she would provide this information at the next EBCC meeting.

New Action 0803: Xoserve (SB) to provide the value for outstanding Energy Balancing Adjustments.

4. BE2020 Update

SB explained that Shipper BE2020 requested to leave the market via the Voluntary Discontinuance process in June 2021. SB noted:

- The length of this process would complete around December 2021.
- In July 2021 BE2020 had entered into liquidation with their appointed liquidator writing to the Gas Transporters and Ofgem to understand if there was any trigger for termination or whether there was a window to exit through the Voluntary Discontinuance process.
- To date there have not been any termination triggers and Ofgem are keeping the licence in place until they have completed the Voluntary Discontinuance process.
- BE2020 will remain a UNC signatory.
- The liquidator of BE2020 have made contact with Xoserve requesting that their contract under the UNC is terminated.
- This information has been passed to the Gas Transporters to review and advise whether they wish to:
 - terminate BE2020 at the liquidator's request, or
 - continue with the Voluntary Discontinuance process.
- The Corporate Insolvency Governance Act 2020 details under section 14 5b the supplier may terminate the contract if the company consents to the termination.

JM asked what exposure would be faced by the industry as a result of this process. SB explained there would be no exposure to the industry as BE2020 have had minimal energy activity during 2021.

SB added there was an unpaid invoice for £0.69 which the liquidators had requested to be settled with the Deposit Deed of £70,000.

5. Modifications

No Modifications raised.

6. Review of Outstanding Actions

Action 0501: Xoserve (BG) to collate a paper to include the charges incurred by the industry as a result of the delay in revoking Green Network's licence, including EDF's timeline of offers, to circulate to the Committee and forward to Ofgem.

Update: SB confirmed Brendan Gill (BG) had issued this paper to the Committee and Ofgem on 18 August 2021. **Closed.**

7. Key Messages

It was agreed that there are no 'Key Messages' for dissemination after the meeting.

8. Any Other Business

8.1. Large LDZ Measurement Error

SB advised that at the Offtake Arrangements Workgroup, a large LDZ Measurement Error had been reported at EM009 – Alrewas.

SB noted that this Measurement Error will produce a debit of approximately £14m across all Shippers in LDZ EM based on daily Weighted Market share for the period under investigation.

SB added that the Committee was being made aware of this issue as large one-off charges on the Amendment Invoice issued in November could have Cash Call impacts.

The Committee were advised the issue was being reviewed in the Offtake Arrangements Workgroups and advised to contact the Joint Office if they wished to be involved in any future meetings.

8.2. DSC Credit and EBCC Meetings

YRH noted that at present DSC Credit and EBCC meetings are arranged back-to-back, which runs the risk of the second meeting being impacted if the first runs over its allocated time. YRH suggested a gap of 15 minutes between the two meetings going forward. The Committee agreed with this suggestion.

9. Diary Planning

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

Time / Date	Venue	Workgroup Programme
10:45 – 11:45 23 November 2021	Microsoft Teams	Standard agenda items

Action Table (as at 24 August 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0501	25/05/21	8.1	Xoserve (BG) to collate a paper to include the charges incurred by the industry incurred as a result of the delay in revoking Green Network's licence, including EDF's timeline of offers, to circulate to the Committee and forward to Ofgem.	Xoserve (BG)	Closed
0801	24/08/21	2.2	Xoserve (SB) to include the financial institution's headroom availability for every quarter at future EBCC meetings.	Xoserve (SB)	Pending
0802	24/08/21	2.4	Xoserve (SB) to contact Administrators of terminated Shippers to request an update on the outstanding debts.	Xoserve (SB)	Pending
0803	24/08/21	3.0	Xoserve (SB) to provide the value for outstanding Energy Balancing Adjustments.	Xoserve (SB)	Pending