

UNC DSC Credit Committee Minutes
Tuesday 21 February 2024
via Microsoft Teams

Attendees (Non-Voting)		
Helen Cuin (Chair)	(HCu)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
CDSP Credit Representatives (Non-Voting)		
Brendan Gill	(BG)	Xoserve
Sharon Bright	(SB)	Xoserve
Shipper User Representatives (Voting)		
Oorlagh Chapman for James Knight	(OC)	Centrica
Sharon McCahey for Jane Morrison	(SMc)	SSE
Steve Mulinganie	(SM)	SEFE Energy Ltd
Transporter Representatives (Voting)		
Charlotte Gilbert	(CG)	IGT
Robyn Heaton for Elisa Trout	(RH)	Northern Gas Networks
Howard Gormley	(HG)	Cadent
Andrea Godden for Richard Loukes	(AG)	National Gas Transmission
Stephen Cross	(SC)	Scotia Gas Networks
<p><i>Copies of all papers are available at: https://www.gasgovernance.co.uk/dsc-credit/210224</i></p> <p><i>DSC Credit meetings will be quorate where there are at least 3 voting members, or appointed alternates in attendance.</i></p>		

1. Introduction

Helen Cuin (HCu) welcomed all representatives to the meeting.

1.1. Apologies for absence

James Knight

Jane Morrison

Elisa Trout

Richard Loukes

1.2. Note of Alternates

Oorlagh Chapman for James Knight – Shipper Representative

Sharon McCahey for Jane Morrison – Shipper Representative

Andrea Godden for Richard Loukes – National Gas Transmission

Robyn Heaton for Elisa Trout – Northern Gas Networks

1.3 Quoracy Status

The meeting was confirmed as quorate.

1.4 Approval of Minutes (21 November 2023)

The minutes of the previous meeting were approved.

1.5 Approval of Late Papers

No late papers to consider.

2. CDSP Operational Report

Sharon Bright (SB) presented the DSC Credit Committee Operational Statistics and noted good performance on payment due date and cash collection. For full details please refer to the Scorecards published on the meeting page:

Cash collection:

Month	Payment Due Date (PDD)	Payment Due Date +3
November	99.85%	99.99%
December	100.00%	100.00%
January	99.87%	99.90%

Cash Collection Figures:

Month	Invoices Due for Collection	Payment Due Date	Payment Due Date +3
November	£8,557,760.14	£8,545,196.86	£8,557,043.46
December	£8,490,776.35	£8,490,654.33	£8,490,698.39
January	£8,490,647.74	£8,479,799.02	£8,481,879.34

Failure to Pay Notices Issued:

Month	Failure to Pay Notices Issued	Value
November	4	£12,552.30
December	0	£0.00
January	4	£10,848.00

Invoicing:

No invoicing issues were reported during this quarter. The Total of late paid charges during the quarter was £483.82.

Escalations:

No escalations to note.

Outlook:

Xoserve will continue early engagement with customers leading up to the payment due date and increase communications with administrators to pursue failed User debt.

SB noted there has been an increase in Users paying with Direct Debit (DD) as their method of payment and Xoserve is contacting all Users to consider this method of payment.

Steve Mulinganie (SM) highlighted that Users who pay via DD can claim back every DD payment made under the DD Guarantee, even if they owe monies in the instance where there is a dispute. SM asked if that was a risk. SB noted there are only a small number of Users that use DD at the moment and Xoserve is focussing on late payers to use DD, with no concerns at the moment.

Brendan Gill (BG) confirmed he will look into this and report back to the next meeting.

New Action 0201: Xoserve (BG) to investigate and assess the risk associated with the DD Guarantee where a User can claim back all payments in instances of a dispute and investigate if the aggregate value at risk of DD payments can be tracked.

Securities:

SB presented the Credit Ratings summary with 88% of customers supported with credit rating.

Type of Security	Number of Customers	Percentage	Financial Value
Prepayment customers	25	7%	Payment is made before service provided
Secured with a Letter of Credit, Parent Company Guarantee or Deposit Deed	17	5%	£4,101,080
Immediate Payment Terms	0	0%	N/A

Supplier Failure CDSP Debt:

SB advised the total CDSP Supplier debt totalled £31,911.78, and insolvency practitioners to reclaim unpaid debt.

Shipper Failure CDSP Debt:

SB advised the total Shipper Failure debt totalled £522,767.85.

Dividends Received:

Dividend payments received to date for outstanding debt £5,814.33.

Debt Write-Offs:

SB reported that £15,037.65 of the CDSP debt relating to failed customers had been written off (against a debt of £18,617.06).

CDSP Dividends Expected:

SB confirmed that dividends are expected in the coming months for 7 Shippers/Suppliers. Total £488,711.32.

Stranded Meter Points

SB explained following a Shipper failure, a number of meter points have yet to be confirmed by an alternative live Shipper. Until a live Shipper is registered against these meter points no asset or read data can be updated onto the Xoserve Central Register impacting data quality and accuracy of invoicing.

There has been an overall reduction in this area of 225 since August 2023.

Ofgem and Debt Awareness / Prevention

SB noted that every month, Xoserve share with Ofgem the slides presented to the Credit Committee, which Ofgem have confirmed they share internally.

A Workshop has been arranged for 27 February 2024 with Ofgem’s Security of Supply team alongside the Credit Committees to cover the following areas:

- The number of failures in the market and establish whether anything could have been done sooner to remove Users from the market.
- Overview of the licence revocation process and what are the constraints that Ofgem have around revoking a licence. Are these being reviewed following the number of failures?
- Overview of the additional controls that Ofgem have now introduced around financial resilience/fitness to operate/stress testing.

SB went on to share the slides prepared for the Workshop for information.

3. Review of Outstanding Actions

0501: *Reference Parties with ‘Stranded Meter Points’* – Xoserve (BG/CJ) to look to include an additional slide within the DSC Credit Committee & EBCC Operational Report presentations to highlight potentially ‘stranded meter points’ where a live Shipper has not been assigned (inc. assessment of potential positions, status update and date of failure etc.). Additionally, BG to provide an update to PAC on this matter via the PAC chairperson.

Update: BG/CJ confirmed that this was covered as part of agenda item 2 and that this information is also shared with the Performance Assurance Committee. **Closed.**

0802: Xoserve to share with Ofgem the overall CDSP Debt and recovery position following each committee meeting with a standard agenda item to provide confirmation.

Update: BG confirmed that the CDSP Debt and recovery position has been incorporated within the Operational Update. Workshop being held on 27 February 2024 for awareness. **Closed.**

4. Key Messages

BG confirmed that the focus remains on debt recovery in addition to increasing awareness with Ofgem of debt and recovery.

5. Any Other Business

None raised.

6. Next Steps

None advised.

7. Diary Planning

DSC Credit meetings are listed at: <https://www.gasgovernance.co.uk/DSC-Credit>

All other Joint Office events are available via: <https://www.gasgovernance.co.uk/events-calendar/month>

Time/Date	Meeting Paper Deadline	Venue	Programme
09:30 Wednesday 22 May 2024	5pm Tuesday 14 May 2024	Microsoft Teams	Standard Agenda
09:30 Wednesday 21 August 2024	5pm Tuesday 13 August 2024	Microsoft Teams	Standard Agenda
09:30 Tuesday 18 November 2024	5pm Tuesday 10 November 2024	Microsoft Teams	Standard Agenda

DSC Credit Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Due Date	Status Update
0501	24/05/23	5.1	<i>Reference Parties with 'Stranded Meter Points' – Xoserve (BG/CJ) to look to include an additional slide within the DSC Credit Committee & EBCC Operational Report presentations to highlight potentially 'stranded meter points' where a live Shipper has not been assigned (inc. assessment of potential positions, status update and date of failure etc.). Additionally, provide an update to PAC on this matter via PAC chairperson.</i>	Xoserve (BG/CJ)	February 2024	Closed
0802	30/08/23	2.0	<i>Xoserve to share with Ofgem the overall CDSP Debt and recovery position following each committee meeting. Standard agenda item to provide confirmation.</i>	Xoserve (BG)	February 2024	Closed
0201	21/02/24	2.0	Xoserve (BG) to investigate and assess the risk associated with the DD Guarantee where a User can claim back all payments in instances of a dispute and investigate if the aggregate value at risk of DD payments can be tracked	Xoserve (BG)	March 2024	Pending