

UNC DSC Credit Committee Minutes
Monday 20 May 2019
via teleconference

Attendees

| | | | |
|----------------------------|-------|---------------|---------------|
| Chris Shanley (Chair) | (CS) | Joint Office | Non-Voting |
| Karen Visgarda (Secretary) | (KV) | Joint Office | Non-Voting |
| Brendan Gill | (BG) | CDSP | Non-Voting |
| Ian Clark | (IC) | Transporter | Voting Member |
| Pauline Babb | (PB) | SSE | Voting Member |
| Sallyann Blackett | (SB) | E.ON | Voting Member |
| Sue Davies | (SDa) | Transporter | Voting Member |
| Teresa Thompson | (TT) | National Grid | Voting Member |

Copies of all papers are available at: <http://www.gasgovernance.co.uk/dsc-credit/200519>

1. Introduction and Status Review

Chris Shanley (CS) welcomed everyone to the meeting and Brendan Gill (BG) said that in relation to having a face to face meeting, that this would be most appropriate once the Credit Policy and Credit Rules had been finalised and that he would provide further information once this was complete.

1.1. Apologies for absence

Apologies were received from Stephen Cross and Pin Sandhu.

1.2. Note of Alternates

None.

1.3. Approval of Minutes (18 March 2019) (29 April meeting was cancelled)

The minutes were approved.

1.4. Review of outstanding actions

Action 1201: CDSP to provide a verbal Key Messages update to the DSC Contract Management Committee (including the actions taken with regards to UPB).

Update: Brendan Gill (BG) said that due to circumstances beyond his control he had been out of the office for the past month and requested that this action was carried forward, as discussions were still taking place internally in relation to the Budget and Charging Methodology, as to the best way it can be reflected regarding the Debt recovery.

Carried Forward.

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

BG advised that both the Xoserve DSC Credit Team and Credit Review Panel are currently reviewing the DSC Credit Rules and that an update would be provided to Committee once this had concluded.

3. CDSP Operational Report

3.1. CDSP cash collection update for April

BG reported that the cash due to be collected in April was £5,520,303.06. He reminded members that cash collection on payment due date + 3 business days for all debt above £1000 over 3 days, is escalated to the DSC Credit Committee but debt under £1000 ex VAT is only discussed at the next operational meeting.

The following performance was reported for cash collected:

| Month | Payment Due Date | Payment Due Date +3 |
|------------|------------------|---------------------|
| April 2019 | 77.41 % | 99.62 % |
| March 2019 | 99.06 % | 99.85 % |

3.2. CDSP security management update

BG provided an update on customer security:

- 97% of customers are unsecured supported by a Published Credit Rating from Experian, Graydons or D&B.
- 2% are underwritten by a third party Parent Company Guarantee
- 1% of customers have a credit limit of £500 or below and are not supported by a Published Credit Rating.
- 0% of payments up front

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

BG said there were 20 Failure to Pay Notices issued in April with a total value of £40,409.62, which were mostly due to back office issues. The breakdown is as follows:

- 5 Failure to Pay notices relate to a linked company (Rivers Evenlode, Effra, Brent and Cuckmere) (£16,076.46). Issues with purchase orders and internal authorisation leading to delays in payment.
- 1 remained outstanding for River Evenlode (£1,772.40) as the Purchase Order did not match the invoice value). Xoserve are working with the customer and Customer Advocate to resolve.
- 2 of the Failure to Pay notices related to River Bark (£1,376.18) where there was nobody in their Accounts Department over the Easter period in order to make the payment.
- 8 of the 20 paid within 2 days of the payment due date.
- 12 of the 20 Failure to Pay notices (33,861.09) related to Specific Services Invoices where issues were encountered with incorrect purchase order numbers or difficulty getting hold of the customer.

BG provided a brief overview of the Terminated Contracts and the associated debt values.

4. CDSP to confirm how the UPB debt will be shared across the Community.

BG commented as per Action 1201 in section 1.4 above. He added that discussions were taking place with PwC in relation to the mechanism for recovering debt and the process for smearing debt from post November 2018 and these options were being discussed internally and needed to be evaluated by the DSC Change Management Committee.

5. Update of DSC Credit Rules Review

BG said this area was still under review at the present time as per point 2. Above.

6. Operational Pack – Format/Style/Content

BG said that work was being undertaken to produce and present the data analysis in a BIRST format, which would provide greater detail of the trend analysis. He said that he would be presenting some the material in the BIRST format and would welcome comments and feedback. CS said that the DSC Contract Management Committee were moving towards this format, as were the rest of Xoserve and he confirmed that it would provide more clarity and insight from a trend analysis perspective.

7. Key Messages

No key messages were noted for escalation to the DSC Contract Management Committee.

8. Any Other Business

8.1. UNC Election Process

Chris Shanley (CS) provided a brief overview of the upcoming UNC Elections process and drew attention to the specific date timelines and processes, as detailed below:

- Single Single Point of Contacts - following 16 May 2019 UNCC approval the registration process will change and SPoCs will be reminded to update their contacts and a formal invite will issued to our UNC mailing list to encourage new SPoC registrations.
- By 01 July 2019 – SPoCs are invited to nominate Modification Panel/UNCC and Sub-Committee representatives. The nomination process will last no longer than 3 weeks.
- By 01 August 2019 - if an election is required the details of candidates and ballot papers are issued to SPoCs. Elections will last no longer than 3 weeks.
- By 01 September 2019– Joint Office will issue notification of the elected candidates via its UNC distribution list.
- From 01 October 2019 – elected members will take up positions on the UNC Modification Panel and Sub-Committees.

CS also explained the process for a mid-year vacancy and highlighted current vacancies, saying that the process could be initiated if there was an expression of interest. Anyone interested in filling a vacancy should contact the Joint Office in the first instance.

9. Diary Planning

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

| Time / Date | Venue | Workgroup Programme |
|------------------------------|----------------|-----------------------|
| 13:30 -14:30 24 June 2019 | Teleconference | Standard agenda items |

Action Table (as at 20 May 2019)

| Action Ref | Meeting Date | Minute Ref | Action | Owner | Status Update |
|------------|--------------|------------|--|-----------|-----------------|
| 1201 | 18/12/18 | 4.0 | CDSP to provide a verbal Key Messages update to the DSC Contract Management Committee (including the actions taken with regards to UPB). | CDSP (BG) | Carried Forward |