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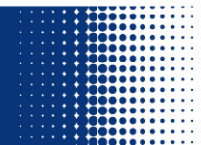
ENERGY



117: Amendment to Invoice Billing Period

Distribution Workstream

26th October 2006



❖ INTRODUCTION

- Background to the Proposal
- What the proposal hopes to achieve
- What the proposal does not hope to achieve
- Other Issues
- Questions to be answered

❖ BACKGROUND TO THE PROPOSAL

- Since 2002 there have been 3 major reconciliations:
 - Farningham
 - Whitwell
 - Pannal
- All of these errors represented a charge to Users
- Farningham error spanned period 13 June 1999 to 30 July 2006
- Billing Code limits suppliers to invoicing for no more than 2 years
- There is no limitation within the UNC that a reconciliation can span
- Users have no influence on meter accuracy, or actual billing process
- Risk that meters are not reading accurately currently held by Shippers

❖ OBJECTIVES

- Align UNC with practices adopted in electricity and supply businesses
- Place incentive on those best placed to ensure meter accuracy and timely billing process
- Limit all invoices – credit and debits
- Only impact on invoices, not the processes that surround them
- Additional benefits in terms of data retention costs and meter reading incentives?

❖ OTHER ISSUES

• **Impact on suppressed reconciliations**

- Not intended to create a system whereby Shippers could “sit” on suppressed reconciliations until they timed out.
- Suggested that a suppressed reconciliation will create a “flag” so that an invoice can be raised that goes back two years from the date that the suppressed reconciliation was notified to the User
- E.g. Suppressed reconciliation occurs 26 October 2006, issued not resolved until 28 October 2008. Invoice should go back to 26 October 2004 if required.

• **Impact on Invoice Queries guidelines**

- Not intended to create a system whereby Shippers could use the Invoice Query guidelines to limit the value of their invoices
- Suggested that once an invoice has been raised, the invoice query processes should be allowed to run their full course, with no impact on the period that an invoice could be raised for.

❖ QUESTIONS TO BE ANSWERED

- **What should the invoice limitation period be?**
 - 2 years
 - 2 years 1 month
 - 2 years 6 months
- **How material are financial adjustments and suppressed reconciliations that take place after the two year deadline?**
 - To Shippers
 - To Transporters
- **Are there any other issues that need to be resolved?**

THANK YOU

