



Tim Davis
Joint Office of Gas Transporters
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Dear Tim

Re: Modification Proposal 0201: Small value invoice payment deferral

Thank you for the opportunity for commenting on the above proposals. Corona Energy (Corona) supports the proposals which have been developed through industry discussions and proposed by British Gas Trading.

It is important that industry processes encourage efficient and economic behaviour. Corona believes the existing processes for the payment of gas transportation invoices do not promote this kind of behaviour. Existing payment periods for the payment of invoices are the 12th Day after the Day on which the invoice was deemed to be received. In some cases the value of the invoice is so small that the cost of paying the invoice exceeds the value of the invoice itself.

Under current processes shippers are subject to a late payment fee of £40 where they fail to pay the transportation invoice on time. These invoices would also be highlighted by the appropriate Gas Transporters (GT) credit control department, increasing the administrative burden on both GT and shipper. This creates an environment with a strong incentive on the shipper to pay small value invoices despite the increased costs incurred by doing so.

The proposal appears to strike a reasonable balance between reducing costs of processing the payment and receipt of small value invoices for the majority of the industry and the risk of these invoices remaining outstanding for an extended period.

I trust these comments are helpful, if you have any queries regarding this response please contact me on 0208 632 8136.

Yours,

Richard Street*
Regulatory Affairs Manager
Corona Energy

*please note as this letter has been delivered electronically a signature will not be attached