

Logic of Data Migration & VAR at Hive Out

Shipper A @ 30th September 2016 (for this example all amounts are fictitious).

Items in red are paid invoices, blue unpaid, green the 20 day average of the previous month. For this example VAR is based on the average daily rate of the aggregate amount of transportation charges incurred in August 2016 plus unpaid invoices irrespective of whether they are due for payment.

Average daily rate for August
multiplied by 20

	£400
4/9/16 Ad-hoc Distribution charge	£50 – paid 16/9
6/9/16 Distribution charge	£100 – paid 20/9
6/9/16 Transmission charge	£100 – paid 20/9
6/9/16 Transmission charge	£100 – paid 20/9
12/9/16 T&D charges	£100 – paid 23/9
12/9/16 Transmission charge	£100 – paid 23/9
12/9/16 Distribution charge	£100 – paid 23/9
22/9/16 Distribution charge	£100 – Unpaid due for payment 4/10
26/9/16 T&D charges	£100 – Unpaid due for payment 7/10 (£50 each)
26/9/16 Transmission charge	£100 – Unpaid due for payment 7/10

VAR @ 30th September 2016 = £400 plus £300 = £700

Logic of Data Migration & VAR NGGDL

Shipper A @ 1st October 2016 (for this example all amounts are fictitious)

For data migration purposes any unpaid elements specific to Distribution will be migrated to the new business' s SAP system.

22/9/16 Distribution charge	£100 – Unpaid due for payment 4/10
26/9/16 Distribution' s element of invoice	£50 – Unpaid due for payment 7/10 (£50 each)

VAR Calculation for NGGDL

Unpaid invoices that are part of the data migration will not be included within the NGGDL VAR calculation. The VAR will be manually adjusted to remove these values adjusting the NTS calculation with corresponding amounts .

VAR = £0 until an invoice is raised by NGGDL e.g. LDZ Capacity on 6th October 2016 or Ad-hoc invoice. It should be noted that Ad-hoc invoices are raised outside of the xoserve billing calendar.

Invoices raised by NGG prior to the 1st October will need to be paid to NGG. There will be an internal process to clear the migrated items, once paid, from NGGDL' s SAP accounting system.

Logic of Data Migration & VAR NGG

Shipper A @ 1st October 2016 (for this example all amounts are fictitious).
 Items in red paid invoices, blue unpaid, purple will be migrated to NDDGL however, NGG's VAR will be adjusted to include these values.

4/9/16 Ad-hoc Distribution charge	£50 – paid 16/9
6/9/16 Distribution charge	£100 – paid 20/9
6/9/16 Transmission charge	£100 – paid 20/9
6/9/16 Transmission charge	£100 – paid 20/9
12/9/16 T&D charges	£100 – paid 23/9
12/9/16 Transmission charge	£100 – paid 23/9
12/9/16 Distribution charge	£100 – paid 23/9
22/9/16 Distribution charge	£100 – Unpaid due for payment 4/10
26/9/16 T&D charges	£50 – Unpaid due for payment 7/10
26/9/19 Distribution Charge	£50 - Unpaid due for payment 4/10
26/9/16 Transmission charge	£100 – Unpaid due for payment 7/10
1/10/16 NTS Entry & Exit Capacity	£500 – per TPD V 3.3.4

VAR Calculation for NGG

£950 total of all items raised in the month of September divided by 30 multiplied by 20 = £633.33
 Plus unpaid invoices £300 and NTS Entry & Exit capacity charges £500 (items in blue & purple)

VAR = £1,433.33

VAR in Summary

Shipper A @ 1st October 2016

NGG VAR £1,433.33

NGGDL VAR £0*

* The VAR will be £0 unless NGGDL submit an ad-hoc invoice prior to 6th October 2016.