

# UNC Modification 0558 – Standardisation of Industry Payment Terms.

17<sup>th</sup> September 2015.



# Key Administrative Points

- This modification seeks to amend Section S of the TPD to change UNC invoice payment terms to 30 days.
- It is intended to apply to Gas Transportation charges.
- This is not a Fast Track or Self Governance Modification.

# Rationale and benefits

- In many industries ‘standard’ payment terms for invoices is considered to be 30 days.
- Making this change for transportation invoices will align transportation charges more closely with customer billing cycles.
- Benefits to suppliers (and therefore customers) of lower cost of capital would outweigh any increase in credit cover obligations.
- Project Nexus will result in a significantly increased level of data available for validation of Transportation invoices.
- Increasing the length of payment terms will ensure Shippers have more time available to accurately validate the invoices prior to payment.
- A more efficient and accurate process facilitates Relevant Objective d.) – securing of effective competition between Shippers