

Unsecured Credit (Accrued on the basis of Payment History) Operation of Provisions For Periods of User Inactivity

Uniform Network Code – Unsecured Credit Accrued by Payment History

Pursuant to section V3.1.7 of the Uniform Network Code (Transportation Principal Document), a User may accrue a level of unsecured credit based upon historic adherence to payment terms ie: payment of invoices by the specified due dates. The amount accruable is up to a maximum of 2% of the Transporter’s Maximum Unsecured Credit Limit. The frequency of accrual of unsecured credit is monthly with the accrual rate of 0.03333r% per month. The maximum accrual is 2% which represents 5 years adherence to payment terms.

Operation of this Policy

There may be periods for which a User is not actively trading and therefore is not in receipt of any Transportation invoices. National Grid has taken a policy decision that such periods of inactivity will not contribute to the accrual of unsecured credit under the aforementioned provisions.

The specific criteria for accrual are:

- A month’s accrual is successfully achieved where payment of one or more invoices (with payment due dates within the relevant calendar month) is received by National Grid by the relevant payment due date/s (regardless of whether such payment is made in the previous month),
- A calendar month (within which no invoice due dates fall) will not contribute to the level of unsecured credit afforded.

Practical Examples - Timelines

