UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT

SECTION S – INVOICING AND PAYMENT

1 INVOICING

1.1 Introduction

1.1.1 The amounts payable by Users to the Transporter and by the Transporter to Users in accordance with the Code will be invoiced and payable in accordance with this Section S.

1.1.2 The Transporter will submit to each User Invoice Documents in respect of each Billing Period in accordance with this Section S.

1.1.3 For the purposes of this Section S:

(a) subject to paragraph 2.4.3, a "**Billing Period**" is a calendar month; provided that in relation to an Amendment Invoice the Billing Period is the Reconciliation Billing Period;

(b) a "**Billing Day**" is a Day in a Billing Period;

(c) an "**Invoice Document**" is an invoice document submitted by the Transporter to a User pursuant to this Section S;

(d) "**Invoice Item**" is an item (in respect of all charges of a particular kind) shown as payable by the Transporter or by a User in an Invoice Document (including where relevant a self-bill amount in accordance with paragraph 1.1.4);

(e) the "**Invoice Amount**" in relation to an Invoice Item is the amount shown as payable by the User or the Transporter in respect of that item under the relevant Invoice Document;

(f) a "**Reconciliation Billing Period**" is the period of one month (or in the event of a change in the last reconciliation day a shorter or longer period) ending on the last reconciliation day; for which purposes the last reconciliation day is the Day of the month (not more than 8 Business Days before the prevailing date on which the relevant Amendment Invoice is to be submitted pursuant to paragraph 1.4), from time to time advised by the Transporters to Users as being the last Day on which the Transporters are able to undertake calculations of Offtake Reconciliation for inclusion in the next Amendment Invoice to be submitted.

1.1.4 An Invoice Document may show as an Invoice Amount an amount (a "**self-bill amount**") payable by the Transporter to a User in respect of which Regulation 13(3) of the Value Added Tax Regulations 1995 is to apply.

1.1.5 An Invoice Document may contain an adjustment by way of credit ("**Invoice Credit**") in respect of an Invoice Amount in another Invoice Document.

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1.1.6 An Invoice Document shall take effect as a separate invoice in respect of each Invoice Item, but without prejudice to paragraph 4.

1.1.7 No delay by the Transporter in submitting an Invoice Document shall prejudice the liability (once such Invoice Document has been submitted) of the Transporter or the User for the amounts subject thereto.

1.2 Invoice types

1.2.1 For each Billing Period separate Invoice Documents (as described in paragraph 1.2.2) will be submitted to each User in respect of amounts payable (if any) under different provisions of the Code.

1.2.2 The types (each an "**Invoice Type**") of Invoice Document to be submitted are NTS Entry Capacity Invoices, NTS Exit Capacity Invoices, LDZ Capacity Invoices, Balancing Invoices, Commodity Invoices, Amendment Invoices and Ancillary Invoices in accordance with paragraph 2.

1.3 Form and content of Invoice Document

1.3.1 Each Invoice Document will specify:

(a) the identity of the User;

(b) the Billing Period to which the Invoice Document (other than as respects any Invoice Credit) relates;

(c) the Invoice Type;

(d) in respect of each Invoice Item, the Invoice Amount;

(e) a unique number by which the Invoice Document may be identified, and a reference number for each Invoice Item; and

(f) the amount of Value Added Tax (if any) payable in respect of each Invoice Item and the further details required under Regulation 14 of the Regulations referred to in paragraph 1.1.4.

1.3.2 An Invoice Document which contains an Invoice Credit will also identify the Invoice Document and Invoice Item to which the Invoice Credit relates and the amount of the Invoice Credit.

1.3.3 Each Invoice Document will be accompanied by a remittance advice ("**Invoice Remittance Advice**"), to be completed by the User in accordance with paragraph 3.4.

1.3.4 Subject to GT Section D5.9, Invoice Documents will be submitted to Users either by UK Link Communication in the form and manner described in the UK Link Manual or by Conventional Notice in the specific circumstances set out in the UK Link Manual, and subject to paragraph 1.3.5 will be accompanied by the supporting data specified in respect of each Invoice Item in the UK Link Manual (the supporting data in respect of any such UK Link Communication comprising all data contained therein other than that described in paragraph 1.3.1).

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1.3.5 An Invoice Document will not be invalid solely by reason of its not being accompanied by any particular item of supporting data, but (in accordance with paragraph 4.2.1(c)(i)) the specificity of any Invoice Query will depend on the extent to which such data was provided.

1.4 Invoice timing

1.4.1 Subject to paragraphs 1.7 and 2.4.2, Invoice Documents of different Invoice Types will be submitted at different times after the Billing Period to which they relate.

1.4.2 Subject to paragraphs 1.7 and 2.4.2, the Transporters will inform every User:

(a) of the expected timing of the submission of each Invoice Type referred to in Annex S-1 (which shall be the same for each Transporter submitting each such Invoice Type);

(b) upon not less than 6 months notice to Users, of any change in such expected timing;

(c) upon becoming aware that such delay will occur, of any delay of more than 5 Business Days (by reference to such expected timing) in the submission of an Invoice Document in respect of a particular Billing Period (but the Transporter may not by notifying such delays avoid the requirements under paragraphs (b) and 1.4.3)).

1.4.3 Subject to paragraph 1.7, the Transporters will not change the expected timing of Invoice Documents of a particular Invoice Type more than once in any period of 12 months.

1.4.4 Subject to the provisions of Section E, paragraphs 1.3.9 – 1.3.13 (inclusive), no Invoice Document shall contain an Invoice Item or Invoice Amount that shall relate to any Day or period prior to the Code Cut Off Date provided that such Code Cut Off Date shall not apply in respect of an Invoice Item or Invoice Amount which relates to Recovered Amounts or Recovery Costs pursuant to Section X3.4.

1.5 Divided Invoices

1.5.1 Without prejudice to paragraph 2.4.2, the Transporter may, in the circumstances in paragraph 1.5.2, after notifying the User and (in the cases in paragraph 1.5.2(b) and (c)) explaining the reason therefor in reasonable detail and providing reasonable evidence thereof, submit to a User more than one Invoice Document of the same Invoice Type in respect of a particular Billing Period.

1.5.2 The circumstances referred to in paragraph 1.5.1 are:

(a) where the User has requested that more than one such Invoice Document is submitted, provided it is reasonably practicable for the Transporter to accommodate such request;

(b) where a problem in the operation of UK Link, which it was reasonable for the Transporter not to have foreseen at the UNC Implemetation Date, adversely affects the ability of the Transporter to produce or submit to the User an Invoice Document in respect of a given Billing Period;

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(c) where anything required to be done (for or on behalf of or in relation to the User) by a person other than the Transporter (whether acting as Meter Reader or otherwise, and including an agent or contractor of the Transporter) to enable an Invoice Document to be produced or submitted is not done or not done by the required time.

1.5.3 The charges subject to each Invoice Document submitted pursuant to paragraph 1.5.1 will be allocated between such Invoice Documents by reference to the LDZ of the System Points in respect of which such charges arise or on another basis agreed with the User.

1.5.4 Such Invoice Documents may be submitted on different Days and each such Invoice Document will be treated as a separate Invoice Document for the purposes of this Section S; provided that the Invoice Due Date in respect of each such Invoice Document shall be:

(a) in the cases under paragraph 1.5.2(a) and (c):

(i) the Invoice Due Date (in accordance with paragraph 3.1.2) of the first submitted such Invoice Document; or

(ii) where later, the date which is 5 Business Days after the date on which the relevant Invoice Document is submitted; provided that in such a case (notwithstanding such later Invoice Due Date) interest shall be payable pursuant to paragraph 3.5.1 as though the Invoice Due Date were the date established under paragraph (i);

(b) in the cases under paragraph 1.5.2(b), the Invoice Due Date (in accordance with paragraph 3.1.2) of the last-submitted such Invoice Document.

1.5.5 The Transporter will give the User as much notice (pursuant to paragraph 1.5.1) as is reasonably practicable, and the Transporter and the User will coordinate with each other to facilitate the giving and receiving of such Invoice Documents.

1.6 Value Added Tax

1.6.1 All amounts expressed as payable by a User or the Transporter pursuant to the Code, and whether the amount thereof is set out in the Code or determined by reference to a Transportation Statement, a Metering Charges Statement or otherwise, are exclusive (unless expressly otherwise stated) of any applicable Value Added Tax (and accordingly Value Added Tax shall be paid by the paying party where payable in respect of any such amount).

1.6.2 Where:

(a) any amount has been included in any Adjustment Neutrality Amount or Adjustment Reconciliation Neutrality Amount pursuant to Section F4.5.3(a)(ii) by reason of any amount (as therein referred to) being unpaid by a User;

(b) any Value Added Tax (unpaid by the User) in respect of the unpaid charge was also so included; and

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(c) National Gas Transmission, having accounted for the unpaid Value Added Tax, subsequently recovers any amount from the relevant authorities in respect of the unpaid Value Added Tax

the amount which was so recovered in respect of Value Added Tax will be included as an additional Monthly Adjustment Neutrality Revenue for the purposes of Section F4.5.3(b) in the month in which it is paid to National Gas Transmission.

1.7 Termination and Insolvency

1.7.1 Notwithstanding paragraph 1.4, the Transporter may, at any time (whether before or after the User Discontinuance Date) after the Transporter submits to a User a Termination Notice under Section V4.3, submit to that User any Invoice Document in respect of any Billing Period or part of a Billing Period ending at or before the time at which the Transporter submits such Invoice Document.

1.7.2 Where the Transporter has submitted a Termination Notice to a User, all amounts payable by that User to the Transporter or by the Transporter to the User (whether the Invoice Document in which such amounts are shown was submitted before or after the date of the Termination Notice) shall be immediately payable notwithstanding paragraph 3.1.

1.7.3 Notwithstanding paragraph 1.4, the Transporter may, at any time on or following the occurrence of any of the events set out in paragraph V4.3.1(e) in relation to any User, submit to that User any Invoice Document in respect of any Billing Period or part of a Billing Period ending at or before the time at which the Transporter submits such Invoice Document.

1.7.4 In relation to a User, on the occurrence of any of the events set out in paragraph V4.3.1(e), all amounts payable to the Transporter (whether the Invoice Document in which such amounts are shown was submitted before or after the date of the occurrence of any of the events set out in paragraph V4.3.1(e)) shall be immediately payable notwithstanding paragraph 3.1.

1.8 Invoice adjustment

1.8.1 Subject to paragraph 1.8.3, where it appears to the Transporter that any Invoice Amount has been incorrectly stated in an Invoice Document, the Invoice Amount may be adjusted by an Amendment Invoice or as the case may be an Ancillary Invoice submitted by the Transporter in accordance with paragraph 2.2 or 2.3 (and the Transporter will not be required to revise and resubmit the original Invoice Document).

1.8.2 An adjustment (by way of debit) representing an increase in an Invoice Amount shall be a new Invoice Amount in respect of which the Invoice Due Date will be the Invoice Due Date of the relevant Amendment Invoice or Ancillary Invoice.

1.8.3 In the absence of fraud, after the expiry of 18 months (or any other period agreed between the Transporter and the User) after the Invoice Due Date (in accordance with paragraph 3.1) in respect of any Invoice Document:

(a) no adjustment may be made to an Invoice Amount under that Invoice Document, other than:

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(i) an adjustment of which the Transporter had given notice to the User; or

(ii) an adjustment pursuant to an Invoice Query raised by a User (in accordance with paragraph 4)

before the expiry of such period;

(b) no Invoice Query may be raised in respect of the Invoice Document; and

(c) the Invoice Document shall (subject to any adjustments already made and any permitted under paragraph (a)) be deemed to be final and conclusive as to the amounts shown as payable thereunder.

1.8.4 The provisions of this Section S whereby an Invoice Amount may be adjusted or an Invoice Query raised are without prejudice to the provisions of the Code pursuant to which determinations of quantities delivered to and offtaken from the Total System are made final.

1.9 Contingencies

1.9.1 Subject to paragraph 1.9.4, in the event that, as a result of a Code Contingency, the Transporter is unable to produce or submit any Invoice Documents within 7 Days after the expected date (in accordance with paragraph 1.4) of submission thereof:

(a) the Transporter may prepare and submit an Invoice Document (as an Ancillary Invoice) containing estimated Invoice Amounts;

(b) such an Invoice Document will be a valid Invoice Document; and

(c) for the purposes of paragraph 1.3.4, the supporting data to be provided with the Invoice Document will be an explanation of the basis of estimation.

1.9.2 Where the User believes that the Transporter's estimate or basis of estimation is materially inaccurate, the User shall as soon as reasonably practicable after receiving the Invoice Document (and in any event before the Invoice Due Date) contact the Transporter and discuss the estimate or basis of estimation with a view to agreeing upon a more accurate estimate of the amount which is payable, which amount (if so agreed) shall be the amount payable by the User in respect of the estimated Invoice Document, but without prejudice to paragraph 1.8.1 or 4.3.

1.9.3 Where (following discussion under paragraph 1.9.2) the User raises an Invoice Query under paragraph 4.2.1:

(a) paragraph 4.2.1(c)(i) shall apply on the basis of the detail provided of the basis of estimation; and

(b) for the purposes of paragraph 4.2.1(c)(ii), the User shall specify the amount by which the User reasonably believes the Transporter's estimate to be under-or over-stated.

1.9.4 Except with the agreement of a User, and except in the circumstances listed in TDIIF 8.1.3, the Transporter may not on the occurrence of any Code Contingency submit Invoice Documents containing estimated Invoice Amounts under this paragraph 1.9 in respect of consecutive Billing Periods.

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1.9.5 Where in accordance with the Contingency Procedures the Transporter submits Invoice Documents, which do not contain estimated Invoice Amounts, such Invoice Documents shall be submitted in the format required in paragraph 1.3.4.

1.10 Adjustment neutrality

Where any Energy Balancing Charge has been invoiced and, upon the resolution of an Invoice Query or pursuant to paragraph 1.8.1 or (unless expressly otherwise provided) following a Code Modification or otherwise, any adjustment is subsequently made in respect of such Energy Balancing Charge, any amount payable by National Gas Transmission to a User or by a User to National Gas Transmission pursuant to such adjustment shall be:

(a) except as provided in paragraph (b), an additional Monthly Adjustment Neutrality Cost, or (as the case may be) an additional Monthly Adjustment Neutrality Revenue for the purposes of Section F4.5.3(a) or (b) in respect of the month(s) to which the adjustment relates; and

(b) where the relevant Energy Balancing Charge was a Reconciliation Clearing Charge other than in respect of an NTS System Exit Point or a Reconciliation Neutrality Charge included when determining the Aggregate Reconciliation Clearing Value for the purposes of Section E7.1.2(d) for the Reconciliation Billing Period in which such adjustment was determined.

1.11 DNO Users

In this Section S references to Users include DNO Users.

1.12 Trader User

In this Section S references to Users include Trader Users.

1.13 CDSP Functions

1.13.1 Agency Functions of the CDSP to support implementation of this Section S are:

(a) notifying Users of invoice timing;

(b) calculating Invoice Amounts;

(c) submitting Invoice Documents (and supporting data); and

(d) resolving Invoice Queries.

2 INVOICE TYPES

2.1 General

2.1.1 NTS Entry Capacity Invoices, NTS Exit Capacity Invoices, LDZ Capacity Invoices, Balancing Invoices, Commodity Invoices and Amendment Invoices are Invoice Documents of the Invoice Types described in Annex S-1.

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2.1.2 Subject to paragraphs 2.1.3 and 2.1.5, the Invoice Items to be comprised in each of the Invoice Types referred to in paragraph 2.1.1 are set out in Annex S-1.

2.1.3 Upon not less than 3 months notice to Users, the Transporter may include in any Invoice Document of an Invoice Type referred to in paragraph 2.1.1 Invoice Items which previously were or would have been contained in an Ancillary Invoice (but for the avoidance of doubt only in respect of Invoice Items in respect of charges payable pursuant to the Code).

2.1.4 The provisions of paragraph 2 and Annex S-1 as to the scope and contents of particular Invoice Documents shall be deemed from time to time to be modified to the extent necessary to be consistent with any UK Link Modification (as defined in the DSC) (but for the avoidance of doubt only in respect of Invoice Items in respect of charges payable pursuant to the Code).

2.1.5 An amount which:

(a) is payable under the Code in relation to, or in connection with the holding of System Capacity at or the offtake of gas at, a Connected System Exit Point, a Shared Supply Meter Point, a VLDMC Supply Point, or a System Exit Point in a part of an LDZ to which GT Section C3.3.4 applies; and

(b) would otherwise be an Invoice Item within an Invoice Type in Annex S-1,

may be contained in an Ancillary Invoice.

2.2 Amendment Invoice

2.2.1 An Amendment Invoice is an Invoice Document containing Invoice Credits or Invoice Amounts (if not contained in an Ancillary Invoice) representing adjustments (by way of credit or debit) to Invoice Amounts contained in one or more LDZ Capacity Invoices or Commodity Invoices.

2.2.2 The amount of interest (if any) payable in respect of any amount payable or repayable pursuant to an Amendment Invoice will be shown in an Ancillary Invoice and not in the relevant Amendment Invoice.

2.3 Ancillary Invoice

2.3.1 An Ancillary Invoice is an Invoice Document in respect of an amount not included in another Invoice Type.

2.3.2 The Transporter may submit an Ancillary Invoice to any User at any time (but subject to paragraph 1.8.3) in respect of any amount (not included in another Invoice Type) which, at any time prior to the submission of such Invoice Document, becomes payable or repayable by the User or the Transporter to the other pursuant to any provision of the Code or otherwise pursuant to Section B1.7.9 or (unless otherwise therein provided) pursuant to any Ancillary Agreement.

2.3.3 An Ancillary Invoice may also contain adjustments (by way of credit or debit) in respect of any Invoice Amount, other than adjustments to be contained (in accordance with paragraph 2.2) in Amendment Invoices.

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2.3.4 The Transporter will submit (as an Ancillary Invoice) an Invoice Document in respect of amounts becoming payable by the Transporter to a User pursuant to Annex G-2 as soon as reasonably practicable after the month in which the liability to pay such amounts accrues.

2.3.5 The liability of the Transporter pursuant to any provision referred to in paragraph 2.3.4 or Section I3.7 or J3.5 to make any payment to a User is without prejudice to the User's liability for any charge payable to the Transporter, and the Transporter shall not be entitled to discharge its liability by releasing the User from any such liability of the User; and the Transporter shall secure that (where relevant) the Invoice Amounts in relevant Ancillary Invoices are stated accordingly.

2.3.6 National Gas Transmission will, at the same time as it submits a Balancing Invoice in relation to any Billing Period, submit (as an Ancillary Invoice) an Invoice Document in respect of amounts payable by or to National Gas Transmission pursuant to Section D3 in respect of such Billing Period.

2.3.7 Supporting data in respect of an Ancillary Invoices may be submitted 5 Days in advance of the date of submission of an Ancillary Invoice, provided where, without prejudice to paragraph 2.4.2, the Transporter informs User of the expected date of submission of an Ancillary Invoice, the supporting data may be submitted at the same time as the Ancillary Invoice.

2.4 Miscellaneous

2.4.1 An Amendment Invoice or Ancillary Invoice may contain Invoice Amounts (or Invoice Credits in respect of Invoice Amounts) accruing (before such invoice is submitted):

(a) in the calendar month in which the Invoice Document is submitted; and/or

(b) in more than one calendar month.

2.4.2 Without prejudice to paragraph 2.3.6, there is no expected timing within a calendar month for the submission of an Amendment Invoice or Ancillary Invoice.

2.4.3 A reference to a Billing Period in the context of an Amendment Invoice or Ancillary Invoice (other than where submitted pursuant to paragraph 2.3.6) is to the period from the date of accrual of the first to that of the last accruing Invoice Amount contained in such Invoice Document.

3 INVOICE PAYMENT

3.1 Invoice Due Date

3.1.1 Subject to paragraphs 1.7.2, 1.7.4 and 4.2.2, the Invoice Amounts under each Invoice Document shall be paid (by the User to the Transporter or by the Transporter to the User, as the case may be) on or before the Invoice Due Date.

3.1.2 Subject to 3.1.3, the "**Invoice Due Date**" in respect of an Invoice Document is the day ending at 24:00 hours on:

(a) subject to paragraphs (b) and (c), whichever is the later of:

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(i) the 12th Day after the Day on which the Invoice Document was deemed to be received in accordance with GT Section B5 and GT Section D5; and

(ii) the 20th Day after the last Day of the Billing Period to which the Invoice Document relates;

(b) in the case of an Amendment Invoice or Ancillary Invoice, subject to paragraph (c) and paragraph (d), the 12th Day after the Day on which the Invoice Document was deemed to be received in accordance with GT Section B5 and GT Section D5;

(c) where the Day (the "**target due date**") determined under paragraph (a), (b) or (d) is not a Business Day:

(i) subject to paragraph (ii), the Business Day (whether before or after the target due date) which is nearest to the target due date; or

(ii) if the nearest Business Days before and after the target due date are equally near, the nearest Business Day after the target due date.

(d) subject to paragraph (e), in the case of a Small Value Invoice, the 30th Day following the end of the month in which the Invoice Document was deemed to be received in accordance with GT Section B5 and GT Section D5, or

(e) the Day determined in accordance with paragraph (b), where the Small Value Invoice is not paid by the Day in paragraph (d).

3.1.3 In relation to a Trading System Clearer which either:

(a) is a Recognised Clearing House for the purposes of the Financial Services and Markets Act 2000; or

(b) has appointed a Recognised Clearing House for the purposes of the Financial Services and Markets Acts 2000 in order to discharge its obligations as a Trading System Clearer,

and without prejudice to applicable law and the Code, the Invoice Due Date, in relation to Energy Balancing Invoices, shall be agreed between National Gas Transmission and such Trading System Clearer following consultation with the Energy Balancing Credit Committee, until such agreement or failing such agreement, the Invoice Due Date shall continue to be specified in the Code.

3.1.4 Where an Invoice Type contains Invoice Amounts payable both by and to a User, only the net amount (the "**Net Invoice Amount**") shall be payable.

3.2 Payment details

3.2.1 Payment of any amount payable under the Code shall be made in pounds sterling in same day funds to the account of the payee at a bank in the United Kingdom notified to the paying party in accordance with paragraph 3.2.2.

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3.2.2 The Transporter will notify each User, and each User shall notify the Transporter, of the account name and number, and the name, address and sort code of the account bank, to which payments to the Transporter by such User or (as the case may be) to such User by the Transporter are to be made, within 5 Business Days after the User Accession Date, and of any change in such details not less than 30 Days before such change occurs.

3.2.3 The payer shall instruct the bank remitting payment of any amount payable under the Code to quote the number (under paragraph 1.3.1(e)) of the relevant Invoice Document to the payee's bank when remitting such payment.

3.3 Deductions, withholdings, taxes etc

3.3.1 Without prejudice to paragraphs 3.8, 3.9 and 4.2.2, amounts payable under the Code shall be paid:

(a) free and clear of any restriction, reservation or condition; and

(b) except to the extent (if any) required by law, without deduction or withholding in respect of tax or on account of any amount due or to become due to the paying party, whether by way of set off, counterclaim or otherwise.

3.3.2 If, in respect of a payment to be made to the Transporter by a User, any deduction or withholding is required to be made by the law of any country other than a country of the United Kingdom, the User shall:

(a) ensure that the amount of such withholding or deduction does not exceed the minimum so required;

(b) forthwith pay the Transporter such additional amounts as will ensure that the net amount received by the Transporter will be equal to that which would have been received had no deduction or withholding been made; and

(c) pay the amount withheld or deducted to the relevant authority in accordance with the relevant requirement of law, and provide to the payee a receipt issued by such authority or (if such a receipt is not available) a certificate in respect of such payment.

3.4 Remittance advice

3.4.1 Where payment of any amount is made pursuant to an Invoice Document, the User shall complete and submit to the payee the Invoice Remittance Advice not later than the Day on which payment is made (but no inability of the User to do so shall affect its obligation to make payment).

3.4.2 The completed Invoice Remittance Advice shall specify:

(a) the date when payment is to be made;

(b) the amounts, by reference to each Invoice Item (payable to the Transporter) specified in the Invoice Document, in respect of which the payment is to be made, and the total amount to be paid; and

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(c) any amount or amounts, by reference to each Invoice Item, in respect of which payment is not being made pursuant to paragraph 3.9.4 and/or 4.2.2.

3.4.3 Where the Transporter makes payment of any amount pursuant to an Invoice Document, the Transporter will not later than the date on which payment is made notify the User of details equivalent to those to be specified in an Invoice Remittance Advice pursuant to paragraph 3.4.2 (but no inability of the Transporter to do so shall affect its obligation to make payment).

3.4.4 Where the Transporter or a User makes payment under more than one Invoice Document on the same Day, it shall secure that a separate remittance is made in respect of each Invoice Document.

3.4.5 Where the Invoice Document number is not quoted (in accordance with paragraph 3.4.4) with any remittance made by or on behalf of a User, and no Invoice Remittance Advice corresponding to the remittance is submitted, the Transporter will endeavour to obtain the User's instructions (by telephone or email) as to the application thereof; but if it has not (by the Business Day following the Day of the remittance) obtained such instructions, the Transporter will apply the amount remitted to or towards Invoice Amount(s) in order of Invoice Due Date (the earliest first) and proportionately as between Invoice Amounts with the same Invoice Due Date, but applying such amount last to any Invoice Amounts which are subject to an Invoice Query.

3.5 Late payment

3.5.1 Without prejudice to Section V4.3.1, where any amount payable under an Invoice is not paid on or before the Invoice Due Date, the paying party shall pay interest, after as well as before judgment, at the Applicable Interest Rate, on the unpaid amount from the Invoice Due Date until the Day on which payment is made.

3.5.2 For the avoidance of doubt paragraph 3.5.1 shall not be construed as permitting late payment of any Invoice Amount.

3.5.3 Without prejudice to any other rights of the Transporter under the Code, including without limitation those under Section V4.3, where, in relation to any amount (or amounts in aggregate) of not less than £10,000 which has become due for payment by a User under the Code (excluding for the avoidance of doubt amounts which are the subject of an Invoice Query which by virtue of paragraph 4.2.2 have not become due for payment or amounts which are the subject of Profiling Payment by virtue of paragraph 3.9.4 provided strictly that such amounts are repaid in accordance with paragraph 3.9.6) and the relevant User has not paid the amount in full by the due date for payment the Transporter shall be entitled to:

(a) reject or refuse to accept all or any of the following by the relevant User:

(i) an application for System Capacity or increased System Capacity at any System Point under Section B (including Annex B-3); and

(ii) a System Capacity Trade under Section B5 in respect of which the User is Transferee User;

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(b) give the CDSP a Registration Block Notice which shall be effective from the day after the due date for payment until such time as the relevant User has paid the amount due for payment in full.

3.6 Interest

3.6.1 Where pursuant to any provision of this Section S interest is payable by the Transporter or a User, such interest shall accrue on a daily basis and on the basis of a 365 day year.

3.6.2 Interest payable under this Section S will be compounded to the extent and by virtue of being invoiced in an Ancillary Invoice, late payment of which will itself be subject to interest under this paragraph 3.6.

3.6.3 The "**Applicable Interest Rate**" is the rate of interest, expressed as a percentage rate per annum, payable in respect of amounts overdue for payment, or subject to repayment, under the Code.

3.6.4 The Applicable Interest Rate shall be:

(a) except as provided in paragraph (b), the rate of interest set for the relevant period as the statutory interest rate for the purposes of the Late Payment of Commercial Debts (Interest) Act 1998; or

(b) for the purposes only of paragraphs 1.5.4(a)(ii), 4.2.5 and 4.3.2, or where otherwise expressly provided in the Code, the base rate for the time being of Barclays Bank PLC plus one (1) percentage point per annum.

3.6.5 If the Applicable Interest Rate (pursuant to paragraph 3.6.4(a)) is exercised then the creditor shall be entitled to recover compensation from the debtor to the value according to the provisions of the Late Payment of Commercial Debts (Interest) Act 1998.

3.6.6 Except in the case of late payment of a Balancing Invoice, where pursuant to paragraph 3.5.1 interest is payable by a Transporter or a User, the Transporter shall submit to the relevant User, an Ancillary Invoice within 35 Days of the Day on which payment is made.

3.7 Statement of account

3.7.1 The Transporter will provide to each User each month a statement of account showing, by reference to individual Invoice Documents (but not individual Invoice Items) and in aggregate:

(a) the amounts shown under paragraph (d) in the preceding statement of account (if any) as payable by the User or the Transporter;

(b) the amounts shown as payable by the User or the Transporter under Invoice Documents submitted to the User since the date of the preceding statement of account (if any), including any amount for which the Invoice Due Date is after the date of the statement of account for the current month;

(c) the amounts paid by the User or the Transporter since the date of the preceding statement of account (if any); and

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(d) the sum of the amounts shown under paragraphs (a) and (b) less the amounts shown under paragraph (c).

3.7.2 Each statement provided under paragraph 3.7.1 shall state that it is not a tax invoice for Value Added Tax purposes.

3.7.3 No payment obligation of any User or the Transporter shall be affected by any delay or failure by the Transporter in producing a statement of account.

3.8 Set off notice

3.8.1 A Transporter may submit a notice ("**Set off Notice**") to a User in respect of a relevant Invoice Document where either:

(a) such User has failed to make payment in full in respect of such Invoice Document by the Invoice Due Date in accordance with paragraph 3.1; or

(b) such User has agreed in writing that a Transporter may apply set off in accordance with this paragraph 3.8 and such User has not withdrawn such agreement by notice in writing at least 5 Business Days prior to any Set Off Notice;

in such case, the provisions of this paragraph 3.8 shall apply.

3.8.2 For the purposes of this paragraph 3.8 a "**relevant**" Invoice Document is an Invoice Document which:

(a) has been submitted to the User;

(b) comprises Invoice Amounts (including Invoice Amounts under any other relevant Invoice Document specified in the Set off Notice) which are payable both by and to a User; and

(c) such Invoice Amounts are in respect of Transportation Charges.

3.8.3 A Set off Notice shall specify:

(a) the identity of the User;

(b) in respect of each relevant Invoice Document:

(i) the unique number by which the Invoice Document is identified;

(ii) the date the Invoice Document was submitted to the User;

(iii) the Invoice Type;

(iv) the Invoice Due Date;

(v) in respect of each Invoice Item, the Invoice Amount;

(c) by reference to each of the Invoice Amounts payable both by and to a User under each relevant Invoice Document, the net amount payable by or to the User (the "**net invoice amount**"); and

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(d) the Invoice Document (the "**specified**" Invoice Document) in respect of which the net invoice amount is to be treated as payable (which in the case of a Set off Notice in respect of a single Invoice Document shall be such Invoice Document).

3.8.4 Following the submission of a Set off Notice:

(a) payment of the net invoice amount by the Transporter or (as the case may be) the User on or before the Invoice Due Date of the specified Invoice Document shall be treated for the purposes of this Section S as payment in full of all Invoice Amounts payable by or to the User under each relevant Invoice Document specified in the Set off Notice;

(b) paragraphs 3.2, 3.4 and 3.7 shall apply in respect of each relevant Invoice Document;

(c) the Transporter or (as the case may be) the User will remain liable for the payment of interest in accordance with paragraph 3.5 in respect of the late payment of any Invoice Amount under a relevant Invoice Document where payment was not made by the Invoice Due Date; and

(d) in the event the net invoice amount is not paid on or before the Invoice Due Date of the specified Invoice Document paragraph 3.5 shall apply in respect of each Invoice Document specified in the Set off Notice.

3.8.5 Where a User has notified the Transporter of an Invoice Query (in accordance with paragraph 4.2) in respect of an Invoice Item under a relevant Invoice Document:

(a) prior to the submission of a Set off Notice, the Transporter shall take account of the Invoice Amount which is the subject of the Invoice Query when determining the net invoice amount payable;

(b) following the submission of a Set off Notice, the Transporter may:

(i) make payment of any such amount for which it is liable pursuant to this Section S in respect of the Invoice Query; or

(ii) submit a revised Set off Notice to take account of the Invoice Amount which is subject of the Invoice Query (and the first Set off Notice shall cease to have effect).

3.9 Profiling Payment

3.9.1 For the purposes of this paragraph 3.9:

(a) A **"Qualifying User"** shall be deemed to be a User:

(i) who is a Registered User in respect of no more than 100,000 Smaller Supply Points across all Distribution Networks;

(ii) has a Code Credit Limit in relation to the relevant DNO which, in aggregate with the Code Credit Limits in relation to that DNO of each other User in respect of which an instrument of surety or security has

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been provided pursuant to Section V3.4.6 jointly with such User, is no greater than £500,000; and

(iii) whose maximum Value at Risk in the three months preceding May of the calendar year is still less than the User's Code Credit Limit.

(b) **"Profiling Payment"** shall mean the payment of LDZ Capacity Invoice by a Qualifying User in accordance with paragraph 3.9.4.

(c) **"Profiling Month"** shall mean a month where an LDZ Capacity Invoice relates to a Billing Period covering May, June, July or August.

(d) **"Profiling Amount"** shall mean the Invoice Amount of an LDZ Capacity Invoice relating to the Smaller Supply Point element of:

(i) the LDZ Capacity Charge; and

(ii) the Capacity Variable Component of the Customer Charge.

3.9.2 A Qualifying User shall be entitled to elect to Profiling Payment for the purposes of settling LDZ Capacity Invoice.

3.9.3 Where a Qualifying User wishes to move to Profiling Payment in respect of a LDZ Capacity Invoice, it shall submit a notice (**"profiling notice"**) to the relevant DNO confirming its intention to do so.

3.9.4 Subject to paragraph 3.9.5, where a Qualifying User submits a profiling notice, it shall be entitled to withhold, in any Profiling Month, up to 50% of the Profiling Amount, provided that it pays no less than 50% of the Profiling Amount by the Invoice Due Date.

3.9.5 Where pursuant to paragraph 3.9.4 any amount is withheld on the Invoice Due Date, the withheld amount shall be payable by the Qualifying User in accordance with paragraph 3.9.6, and interest from the Invoice Due Date shall be payable in accordance with paragraph 3.5 on such amount withheld.

3.9.6 Where any amount is withheld on the Invoice Due Date by a Qualifying User pursuant to paragraph 3.9.4 above, then the aggregate of the amounts withheld for each Profiling Month (such aggregate to be calculated following 31 August in each calendar year) shall be paid by the Qualifying User in six equal instalments on or before the last Business Day of each month from October through to March (inclusive), provided that at any time during this period the Qualifying User shall have the option to pay more than the sum equivalent to the instalment due.

3.9.7 All amounts withheld by a Qualifying User pursuant to paragraph 3.9.4 shall be settled in full by 31 March following the period where Profiling Payment occurred.

3.9.8 All payments made by Qualifying User in accordance with paragraph 3.9.6 shall be offset against the earliest occurring withheld amount for the purposes of calculating interest pursuant to paragraph 3.5 and VAT pursuant to paragraph 1.6.

3.9.9 A Qualifying User shall clarify to the relevant DNO their VAT payments in relation to withheld amounts subject to Profiling Payment.

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3.9.10 Where a Qualifying User adheres, to the fullest extent, to the terms of paragraph 3.9.6 and 3.9.7, the relevant DNO shall exclude amounts subject to Profiling Payment (by virtue of paragraph 3.9.4) when determining any amount (or amounts in aggregate) which have become due for payment by the Qualifying User under the Code.

3.9.11 To extent that a Qualifying User does not comply with paragraph 3.9.6 and/or 3.9.7, any amounts previously excluded by the relevant DNO by virtue of paragraph 3.9.10 shall, with immediate effect, be included for the purpose of determining any amount (or amounts in aggregate) which have become due for payment by the Qualifying User under the Code and the relevant DNO shall be entitled to exercise any right available to it including (without limitation) any right pursuant to paragraph 3.5 and/or Section V4.3.

3.9.12 Subject to paragraph 3.9.10, the provisions of this paragraph 3.9 are without prejudice to TPD Section V3 and Section TPD V4 of the Code.

3.9.13 In this paragraph 3.9 a references to User shall not include a DNO User.

4 INVOICE QUERIES, ETC

4.1 Invoice Queries

4.1.1 For the purposes of this Section S an "**Invoice Query**" is any question or dispute as to the proper calculation of any amount shown as payable by a User or the Transporter under an Invoice Document or as to whether any such amount is or was properly payable and references to the amount of an Invoice Query are to the amount by which the User submitting the Invoice Query considers the Invoice Amount to be incorrect.

4.1.2 A User may notify an Invoice Query by telephone (subject to paragraph 4.1.3), by Conventional Notice or by UK Link Communication.

4.1.3 Where a User notifies an Invoice Query by telephone, the Transporter may (at the time of the telephone communication) require that the Invoice Query be notified by Conventional Notice or UK Link Communication, in which case the Invoice Query shall be deemed not to have been raised for the purposes of paragraph 4.2.1 until so notified.

4.1.4 The Transporter and the relevant User will endeavour to resolve Invoice Queries by agreement.

4.1.5 Any reference in this Section S:

(a) to the resolution of an Invoice Query is a reference to the resolution thereof by agreement (at any time) between the Transporter and the relevant User or by determination thereof (in accordance with paragraph (b));

(b) to the determination of an Invoice Query is a reference:

(i) to the resolution of a dispute in respect thereof under any provision of GT Section A where applicable; and

(ii) except as provided in paragraph (i), to the outcome of any proceedings commenced by the Transporter or the relevant User in respect thereof.

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4.1.6 Without prejudice to any obligation (including any liability to pay interest pursuant to paragraph 4.2.4) of Users pursuant to this Section, the Transporter agrees that it will make available such resources as are in its reasonable opinion reasonably adequate to deal reasonably promptly with reasonable Invoice Queries.

4.1.7 In paragraph 4.1.8 'appropriate resources' shall mean the application by the Transporter in respect of an Invoice Query, of available resources that are commensurate with and appropriate to the value of the Invoice Query.

4.1.8 In relation to an Invoice Query, for which there exists an Invoice Query Methodology, relating to an Invoice Document in respect of which the relevant Billing period is February 1998 or any subsequent month:

(a) where it has not been possible to resolve the Invoice Query by applying appropriate resources; or

(b) the Transporter is of the opinion that the Invoice Query will not be resolved by applying appropriate resources

the Transporter shall, where agreed with the User, calculate, in accordance with the Invoice Query Estimation Methodology, an estimated value for the Invoice Amount which is the subject of the Invoice Query.

4.1.9 Without prejudice to paragraph 4.1.5 where the Transporter calculates an estimated value for the amount of an Invoice Query in accordance with paragraph 4.1.8, the Invoice Query shall be held to have been resolved on the basis of such estimated value, which estimated value shall be deemed to be final and conclusive as to the proper calculation of the amount payable.

4.1.10 An "**Invoice Query Estimation Methodology**" is a document so entitled, prepared, published and revised (subject to prior approval by Panel Majority of the Uniform Network Code Committee) from time to time by Transporters (in consultation with Users) setting out (inter alia) the methodology to be applied by the Transporter for the purposes of calculating an estimated value of the amount of each Invoice Query.

4.1.11 In the preparation (and revision) of an Invoice Query Methodology the Transporters shall seek to ensure that the methodology is designed to apply in such a manner that the estimated values calculated for amounts that are the subject of Invoice Queries are, as between the Transporter and Users and as between Users, fair and equitable.

4.1.12 Without prejudice to paragraphs 4.1.6, 4.1.8 and 4.1.9, where a User gives simultaneous notification to the Transporters of thirty or more relevant Invoice Queries, the User may also notify the Transporters that it elects that paragraph 4.5 apply to the resolution of the relevant Invoice Queries (an "**Invoice Query Batch**").

4.1.13 For the purposes of paragraph 4.1.12, a "**relevant Invoice Query**" is an Invoice Query:

(a) which relates to a Larger Supply Point, other than in respect of an Invoice Item on a Commodity Invoice or Amendment Invoice determined by reference to the Metered Quantity or Reconciliation Quantity respectively; and

(b) where the amount is less than £40.

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4.2 Invoice Queries before payment

4.2.1 Where a User wishes to raise any Invoice Query in respect of an amount shown as payable by the User under an Invoice Document, the User may, not later than the Day before the Invoice Due Date, notify (in accordance with paragraph 4.1.2 and 4.1.3) such Invoice Query to the Transporter, specifying:

(a) the Invoice Type, date and number of the Invoice Document;

(b) the Invoice Item to which the Invoice Query relates;

(c) an explanation of the basis on which the Invoice Query arises, and the amount of the Invoice Amount which is subject to the Invoice Query:

(i) identified by reference to the particular item of supporting data (in accordance with paragraph 1.3.4) in respect of which the Invoice Query arises, on the basis of the level of greatest detail of such supporting data provided for in the UK Link Manual, to the extent that such data was provided by the Transporter, and subject to paragraph 4.2.6 where applicable; and

(ii) where the basis of the Invoice Query is that the value of any parameter by reference to which the Invoice Amount is determined is incorrectly stated in such supporting data, the amount (estimated as accurately as is reasonably practicable) by which such value is incorrectly stated; and

(d) the amount of the Invoice Amount which is not subject to the Invoice Query, determined on the basis that only so much of the Invoice Amount as is identified in paragraph (c) is subject to the Invoice Query.

4.2.2 Where a User raises an Invoice Query in accordance with the requirements of paragraph 4.2.1 (but not otherwise), the amount subject to the Invoice Query (in accordance with paragraph 4.2.1(c)) shall not be payable on the Invoice Due Date, but without prejudice to paragraph 4.2.4.

4.2.3 Except as provided in paragraph 4.2.2, but without prejudice to paragraph 4.3.1, the whole amount shown as payable by a User in any Invoice Document shall be payable on the Invoice Due Date.

4.2.4 Where pursuant to paragraph 4.2.2 any amount is not paid on the Invoice Due Date by a User, the amount (if any) which is agreed or determined (following resolution of the Invoice Query) to be payable by the User shall be payable upon such resolution, and interest from the Invoice Due Date shall be payable in accordance with paragraph 3.5 (but subject to paragraph 4.2.5) on such amount.

4.2.5 For the purposes of paragraph 4.2.4, where it is agreed or determined that the question or dispute the subject of the Invoice Query pursuant to paragraph 4.2.2 was a bona fide question or dispute, the Applicable Interest Rate shall be:

(a) for Invoice Items other than those listed in paragraph 5 of Annex S-1, the rate under paragraph 3.6.4(b); and

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(b) for Invoice Items listed in paragraph 5 of Annex S-1 the rate under paragraph 3.6.4(b) until the expiry of 2 Business Days after the date of resolution of the Invoice Query.

4.2.6 Where, by reason of a delay (after the UNC Implementation Date) in the preparation or submission of any Invoice Documents:

(a) the Transporter submits to a User, in the same month, Invoice Documents of the same Invoice Type (other than the Invoice Types referred to in paragraph 4.2.8) in respect of several Billing Periods to a User; or

(b) the Transporter submits to a User in any month Invoice Documents of different Invoice Types (other than the Invoice Types referred to in paragraph 4.2.8) at intervals which are substantially less (so that they are submitted on the same Day or within the space of a few Days) than those allowed for by the expected timing under paragraph 1.4.2

paragraph 4.2.7 shall apply.

4.2.7 In relation to any such Invoice Document as is referred to in paragraph 4.2.6:

(a) the level of detail by reference to which (for the purposes of paragraph 4.2.1) any Invoice Query is required to be given shall be such as is reasonable having regard to the extent of the supporting data and the time (from submission of the Invoice Document until the Invoice Due Date) available for the User to review such Invoice Documents and the supporting data; and

(b) where the User raised an Invoice Query containing less detail than would have been required but for paragraph (a):

(i) the User shall as soon as is reasonable provide to the Transporter the details which were omitted; and

(ii) to the extent that the User does not comply with paragraph (i), the suspension (pursuant to paragraph 4.2.2) of the User's obligation to pay shall cease to apply.

4.2.8 The Invoice Types excluded from paragraph 4.2.6(a) and (b) are Invoice Types within paragraph 2.4.1, except that Ancillary Invoices submitted pursuant to paragraph 1.9.1 shall be included.

4.3 Other Invoice Queries

4.3.1 Subject to paragraph 1.8.3, nothing in this paragraph 4 shall prevent a User from raising any Invoice Query other than pursuant to paragraph 4.2.1, including in respect of any amount after payment has been made in respect of such amount, or from paying any such amount at the same time as notifying an Invoice Query in respect thereof; provided that (without prejudice to the resolution of the Invoice Query) no constructive trust or other implied term as to the receipt or application by the payee of the amount paid shall arise.

4.3.2 Where, upon the resolution of an Invoice Query or otherwise, it is agreed or determined that any amount or part of any amount paid should not have been paid, the payee shall

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repay such overpaid amount with interest at the Applicable Interest Rate from the date on which payment was made to it or if later the Invoice Due Date until the date of such repayment.

4.3.3 Notwithstanding paragraph 4.2.2, a User shall pay the Invoice Amount in respect of NTS Entry Capacity Charges in respect of Daily NTS Entry Capacity, NTS Entry Capacity Charges in respect of Interruptible NTS Entry Capacity and (where payable by the User) Capacity Neutrality Charges under each NTS Entry Capacity Invoice in full on the Invoice Due Date, notwithstanding any Invoice Query, and paragraphs 4.3.1 and 4.3.2 will apply in respect of any such Invoice Query.

4.4 Invoicing of resolved Queries

4.4.1 As soon as reasonably practicable after any Invoice Query is resolved, and in any event by the end of the second following month, the Transporter will prepare and submit to the relevant User an appropriate Invoice Document in respect of the amount (if any) agreed or determined to be payable or repayable by the Transporter or the relevant User.

4.4.2 Save in respect of an Invoice Query relating to charges in respect of the Invoice Items listed in paragraph 5 of Annex S-1, as soon as reasonably practicable after any Invoice Query is resolved, and in any event by the end of the third following month, the Transporter will prepare and submit to the relevant User an appropriate Invoice Document in respect of the amount (if any) of interest payable by the Transporter or the User in respect of such Invoice Query.

4.5 Invoice Query Batch sampling

4.5.1 Following an election by a User pursuant to paragraph 4.1.12:

(a) the Transporters shall take a batch sample from the Invoice Query Batch and determine in respect of each Invoice Query in the batch sample whether the Invoice Query complies with paragraph 4.2.1;

(b) where:

(i) more than 5% (in number) of the Invoice Queries in the batch sample do not comply with the requirements of paragraph 4.2.1, all Invoice Queries in the Invoice Query Batch shall be deemed not to comply with paragraph 4.2.1;

(ii) 5% or fewer (in number) of the Invoice Queries in the batch sample do not comply with the requirements of paragraph 4.2.1, all Invoice Queries in the Invoice Query Batch shall be deemed to comply with paragraph 4.2.1;

(c) where paragraph (b)(i) applies:

(i) the Transporters will provide the User with details of the Invoice Queries in the batch sample which did not comply with paragraph 4.2.1;

(ii) the User shall be deemed not to have notified the Transporters of any of the Invoice Queries in the Invoice Query Batch and the User may notify

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the Transporter of such Invoice Queries pursuant to paragraph 4.2.1 or 4.1.12;

(iii) where paragraph (b)(ii) applies, the Transporters shall calculate the average invoice query factor;

(d) the "**average invoice query factor**" shall be, for each Invoice Query in the batch sample which complied with paragraph 4.2.1, the sum of the amounts determined by the Transporters as being the amount which should have properly been the subject of the Invoice Query divided by the sum of the amounts as notified by the User; and

(e) in respect of each Invoice Query in the Invoice Query Batch, the amount which should have properly been the subject of the Invoice Query shall be, where the average invoice query factor is:

(i) less than or greater than 1, the amount notified by the User multiplied by the average invoice query factor;

(ii) equal to 1, the amount notified by the User.

4.5.2 For the purposes of paragraph 4.5.1, the "**batch sample**" shall comprise, where the number of Invoice Queries comprised in the Invoice Query Batch:

(a) exceeds 10,000, a random sample of 222 Invoice Queries;

(b) is greater than 30 but less than 10,000, a random sample of such number of Invoice Queries ('s') determined as follows:

$$s = (nl + (f * (nh - nl)))$$

where: f equals (N - Nl)/(Nh - Nl);

N is the number of Invoice Queries in the Invoice Query Batch;

'Nl' is the closest batch size below (lower batch size) the actual number of queries is an Invoice Query Batch; and

'Nh' is the closest batch size above (higher batch size) the actual number of queries in the Invoice Query Batch

'nl' and 'nh' are the appropriate sample size set out in Annex S-2.

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Annex S-1

INVOICE TYPES AND INVOICE ITEMS

1 NTS Entry Capacity Invoice

An "**NTS Entry Capacity Invoice**" is an Invoice Document in respect of the following separate Invoice Items:

(a) NTS Entry Capacity Charges in respect of Monthly NTS Entry Capacity;

(b) NTS Entry Capacity Charges in respect of Daily NTS Entry Capacity;

(c) NTS Entry Capacity Charges in respect of Interruptible NTS Entry Capacity;

(d) Capacity Surrender Charges;

(e) Firm Curtailment Charges;

(f) System Entry Overrun Charges;

(g) Capacity Neutrality Charges; and

(h) Force Majeure Premium Charge.

2 NTS Exit Capacity Invoice

An "**NTS Exit Capacity Invoice**" is an Invoice Document in respect of the following separate Invoice Items:

(a) NTS Exit Capacity Charges – Annual NTS Exit (Flat) Capacity;

(b) NTS Exit Capacity Charges – Daily NTS Exit (Flat) Capacity;

(c) NTS Exit Capacity Charges – Off-peak Daily NTS Exit (Flat) Capacity;

(d) NTS Exit (Flat) Capacity Surrender Charges;

(e) NTS Offtake Reduction Charges; and

(f) NTS Exit (Flat) Overrun Charges.

3 LDZ Capacity Invoice

An "**LDZ Capacity Invoice**" is an Invoice Document in respect of the following Invoice Items:

(a) LDZ Capacity Charges;

(b) Customer Charges - Capacity Variable Component;

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(c) Customer Charges - Fixed Component;

(d) Supply Point Ratchet Charges – LDZ Capacity Charges; and

(e) Supply Point Ratchet Charges – Capacity Variable Component of Customer Charge.

4 Commodity Invoice

A "**Commodity Invoice**" is an Invoice Document in respect of the following Invoice Items:

(a) (i) NTS Entry Commodity Charges; and

(ii) NTS Exit (Flat) Commodity Charges;

(b) LDZ Commodity Charges; and

(c) Customer Charges - Commodity Variable Component.

5 Balancing Invoice

A "**Balancing Invoice**" is an Invoice Document in respect of the following Invoice Items:

(a) Market Balancing Action Charges in respect of Market Balancing Sell Actions;

(b) Daily Imbalance Charges in respect of which National Gas Transmission is the seller;

(c) Scheduling Charges - Input;

(d) Scheduling Charges - Output;

(e) Balancing Neutrality Charges;

(f) Not used;

(g) Reconciliation Neutrality Charges – Offtake Reconciliation for Unmetered Connected System Exit Points;

(h) Reconciliation Neutrality Charges – Offtake Reconciliation for Metered Connected System Exit Points;

(i) Market Balancing Action Charges in respect of Market Balancing Buy Actions (a self-bill amount);

(j) Daily Imbalance Charges in respect of which the User is the seller (self-bill amount);

(k) Physical Renomination Incentive Charges; and

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(l) Total Incentivised Nomination Charges.

6 Amendment Invoice

An "**Amendment Invoice**" is an Invoice Document in respect of the following Invoice Items:

(a) Reconciliation Clearing Charges; and

(b) Reconciliation Transportation Charge Adjustments in respect of the NTS Exit Commodity Charge, the LDZ Commodity Charge and the Commodity Variable Component of Customer Charges

(Such amounts shall include adjustments to Reconciliation Values arising pursuant to Section E6.8)

7 Small Value Invoice

A "**Small Value Invoice**" is an Invoice Document in respect of an Invoice Amount which has a value of less than £25 and which is:

(a) listed under Appendix II of the Operation Rules Governing the Supply of Invoice Charges via the Ancillary Process; or

(b) an Amendment Invoice;

except where it contains a Balancing Neutrality Charge, a Capacity Neutrality Charge or a Reconciliation Neutrality Charge.

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Annex S-2

Invoice Query Batch Size (Nl/Nh)	Sample Size (nl/nh)
30	30
50	41
100	69
200	105
300	128
500	154
1,000	182
2,000	200
10,000	217

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Annex S-3

QUERY STANDARD	Query Implementation Date	6 month	12 month	18 month
Smaller Supply Points: GT				
4 Day Standard: GT (SGT_4)	50%	65%	75%	80%
10 Day Standard: (SGT_{10})	85%	90%	95%	95%
20 Day Standard (SGT_{20})	98%	98%	98%	98%
SMALLER SUPPLY POINTS: METERING				
4 Day Standard: GT (SM_4)	50%	65%	75%	80%
10 Day Standard: (SM_{10})	85%	90%	95%	95%
20 Day Standard (SM_{20})	98%	98%	98%	98%
Larger Supply Points: GT				
4 Day Standard: (LGT_4)	50%	65%	75%	80%
10 Day Standard: (LGT_{10})	85%	90%	95%	95%
20 Day Standard (LGT_{20})	98%	98%	98%	98%
LARGER SUPPLY POINTS: METERING				
4 Day Standard: (LM_4)	50%	65%	75%	80%
10 Day Standard: (LM_{10})	85%	90%	95%	95%
20 Day Standard (LM_{20})	98%	98%	98%	98%

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