STCP13-1 Issue 009 Invoicing & Payment

STC Procedure Document Authorisation

Company	Name of Party Representative	Signature	Date
National Grid Electricity System Operator Ltd			
National Grid Electricity Transmission plc			
SP Transmission Ltd			
Scottish Hydro-Electric Transmission			
Offshore Transmission Owner			

STC Procedure Change Control History

Issue 001	11/01/2005	First Issue
Issue 002	04/03/2005	BETTA Go-Live version
Issue 003	25/10/2005	Incorporating PA034 & PA037
Issue 004	31/01/2006	Incorporating PA045
Issue 005	18/11/2008	Incorporating PA052
Issue 006	19/10/2009	Incorporating PA055 and changes for Offshore regime
Issue 007	20/11/2013	Incorporating PM069
Issue 008	01/04/2019	Incorporating changes for National Grid Legal Separation
Issue 009	01/09/2020	Amendments to STCP13- 1 'Invoicing and Payment' Clause 3.2 - Changes to TO Site Specific Charges

1 Introduction

1.1 Scope

1.1.1 This document defines the process associated with invoicing & payment activities between the TOs and NGESO.

1.1.2 For the purposes of this document, the TOs are:

- NGET;
- SPT; and
- SHETL and
- Offshore Transmission Owners

1.2 Objectives

1.2.1 The objective of this procedure is to detail:

- how the invoicing and payment process is addressed across the NGESO – TO interface;
- how changes to charges (if applicable) are communicated and incorporated into invoices from the TO to NGESO;
- the requirements for exchange of information related to invoicing & payment activities; and
- the lines of communication to be used.

1.3 Background

1.3.1 NGESO shall be responsible for the calculation, development and invoicing of Connection and TNUoS charges. The TO shall be remunerated by NGESO for the provision of connection and infrastructure assets and associated services.

1.3.2 The TO's revenue from NGESO will be in three parts:

- TO General System Charges as defined in Schedule Ten of the STC;
- TO Site-Specific Charges as defined in Schedule Ten of the STC; and
- Other Charges (ad-hoc activities) as defined in Schedule Ten of the STC.

1.3.3 NGESO shall be remunerated by a TO for the following

- NGESO Charges in relation to Interruption Payments as defined in Schedule Ten of the STC; and
- Other Charges (ad-hoc activities) as defined in Schedule Ten of the STC.

1.3.4 The majority of this revenue will be invoiced on a monthly basis (see sections 3.1 and 3.2), with the remainder on an ad-hoc basis (see section 3.5).

2 Key Definitions

2.1 For the purposes of STCP 13-1 Invoicing & Payment:

2.1.1 **NGESO Revenue Contact** means the named contact within NGESO for revenue issues as advised to the TOs from time to time.

2.1.2 **Other Charges** means those charges specified in Part Three of Schedule Ten of the STC.

2.1.3 **TO General System Charges** means those charges specified in Part One of Schedule Ten of the STC.

2.1.4 **TO Revenue Contact** means the named contact within the TO for revenue issues as advised to NGESO and the other TO from time to time.

2.1.5 **TO Site Specific Charges** means those charges specified in Part Two of Schedule Ten of the STC.

2.1.6 **NGESO Charges** means those charges specified in Part Four of Schedule Ten of the STC.

3 Procedure

3.1 TO General System Charges and TO Site Specific Charges

3.1.1 The TO shall receive payment from NGESO each month for TO General System Charges. By 1 October each year the NGESO Revenue Contact shall email the TO Revenue Contact requesting a forecast of their TO General System Charges for the following Financial Year. The TO Revenue Contact shall email the NGESO Revenue Contact, on or before 1st November each year, their forecast of the TO General System Charges for the following Financial Year. Revisions to the TO General System Charge can be made up to 25th January each year for the following financial year.

3.1.2 The TO shall receive payment from NGESO each month for TO Site-Specific Charges. On or before the 1st November each year the TO Revenue Contact shall email the NGESO Revenue Contact a schedule of the known monthly TO Site-Specific Charges per site per customer, for each month of the following Financial Year. This schedule can be revised in accordance with clause 3.2.1 and 3.2.2.

3.1.3 When an offshore TO licence is granted during the year, the NGESO revenue contact shall email the OFTO revenue contact requesting a forecast of their TO General System Charges, Site Specific Charges for the current Financial Year and an estimate of the asset transfer date. The TO revenue contact shall email the NGESO revenue contact their forecast of the TO General System Charges, Site Specific Charges for the current Financial Year and an estimate of the asset transfer date. Revisions can be made to the TO General System Charges, Site Specific Charges and estimated date of asset transfer up to the date of asset transfer. On the working day following asset transfer a final revision is to be sent to the NGESO revenue contact.

3.1.4 The amount forecast in 3.1.1, 3.1.2 and 3.1.3 shall be accompanied by an invoicing schedule (13-1) to detail the annual and monthly amounts for TO General System Charges, Site Specific Charges, and where appropriate a breakdown of the latter charge into its components of EXS or Excluded Services as defined in the TO Licences.

3.1.5 The TO shall invoice NGESO equal amounts over the remaining months of the year, matching the amounts shown in the schedule provided under clause 3.1.2 or 3.1.3 and totalling the annual General System Charges, Site Specific Charges forecast in 3.1.1, 3.1.2 and 3.1.3 less any one off General System Charges that have been invoiced during the year. NGESO shall pay the recurrent monthly TO invoice on the later of

- the 15th day following the day that the TO's invoice was despatched; and

- the 16th day of the month to which the invoiced payments relate,

  unless, in such case, such payment day is not a Business Day in which case payment shall be made on the next Business Day.

3.1.6 Paper invoices will be despatched by post, and supported by fax and or email, where feasible, to the NGESO Revenue Contact. The TO's bank account details shall be included with each monthly invoice.

3.1.7 All payments will be by BACS.

~~3.1.7~~3.1.8 In the Financial Year preceding the next regulatory price control period, NGESO and the Onshore Transmission Owners may notify one another and agree (on a unanimous basis only), any reasonable temporary adjustments to the provisions in 3.1 to allow them to be fulfilled. E.g. data substitutions, submission date changes.

3.2 Changes to TO Site Specific Charges

3.2.1 Following completion of works detailed in contracts between the TO and NGESO, it may be necessary to amend Site Specific Charges in line with the charges calculated from the Bilateral Agreements for any affected Connection Site. For those contracted changes, the charge change will be implemented to NGESO in the first available monthly periodic invoice following completion of works, to incorporate charges from the appropriate date.

3.2.2 The TO Revenue Contact shall give no less than 1 month prior written notice to the NGESO Revenue Contact of any changes to the TO Site Specific Charges except where changes are in accordance with clause 3.2.1.

3.2.3 Ahead of any invoice being received by NGESO, the TO shall provide NGESO with a revised invoicing schedule (13-1) confirming the changes being made to the Site Specific Charges.

3.2.4 The TO shall invoice NGESO each month the amounts contained in the schedule, and NGESO shall pay shall pay on the later of

- the 15th day following the day that the TO's invoice was despatched; and
- the 16th day of the month to which the invoiced payments relate,

  unless, in such case, such payment day is not a Business Day in which case payment shall be made on the next Business Day.

3.2.5 Paper invoices will be despatched by post, and supported by fax and or email, where feasible, to the NGESO Revenue Contact. The TO's bank account details shall be included with each monthly invoice.

3.3 Changes to General System Charge

3.3.1 Only under exceptional circumstances, can General System Charge be changed after final notification on 25th January or post asset transfer for the first year of existence of an OFTO. Exceptional circumstances means an event or circumstance that is beyond the reasonable control of the licensee and for which it should not reasonably bear the financial risk.

3.4 NGESO charges

3.4.1 If an Affected User has exercised its rights pursuant to Section 5 (Events of Default, Deenergisation, and Disconection), subsection 5.10 (Relevant Interruptions) of the CUSC, NGESO shall notify the relevant TO as soon as possible.

3.4.2 The process for Event Reporting and Joint Investigation detailed in Section C, Part Three of the STC shall be started by either party (if not already underway as a notification of a Significant Incident) in order to reach an agreement that a Relevant Interruption has occurred.

3.4.3 Following agreement by all parties (the User, NGESO and the TO), NGESO will invoice the TO the relevant amount due to the Affected User. In the event of a dispute, “agreement” shall mean the determination following dispute proceedings as outlined in the STC.

3.4.4 The Interruption Payment shall be paid by the TO to NGESO within thirty days of receipt of the invoice

3.5 Payment for Ad-Hoc activities

3.5.1 Where a payment is required between NGESO and the TO that is not included in the monthly billing process, this shall be invoiced on an ad-hoc basis. The invoice shall reference a purchase order number where appropriate.

3.5.2 Where the payment is required by the TO this will be in accordance with Other Charges in Schedule 10 of the STC.

3.5.3 All invoices for payments for Other Charges in Schedule 10 of the STC shall be despatched not less than 30 days prior to the due date for payment. Payment shall be made by the recipient of the invoice within 30 days of the date of the despatch, or within 30 days of the invoice date, whichever is the later.

3.5.4 Paper invoices will be despatched by post, and supported by fax and or email, where feasible, to the NGESO or TO Revenue Contact, as appropriate. The bank account details of the Party receiving payment shall be included with each monthly invoice.

3.5.5 All payments will be by BACS.

3.6 Ancillary Payment Issues

3.6.1 All other payment related issues (e.g. addressing late payment by any party) shall be addressed in line with the STC.

3.7 Provision of Bank Details for Invoicing Purposes

3.7.1 Within 5 working days of section 8(A)3 notice being given to the OFTO, the prospective OFTO writes on company letter headed note paper to the NGESO revenue contact detailing bank details, trading name, trading address, invoicing address and invoicing contact. The letter to be signed by a company authorised signatory.

Appendix A: Flow Diagram

Note that the Process Diagrams shown in this Appendix A are for information only. In the event of any contradiction between the process represented in this Appendix and the process described elsewhere in this STCP, then the text elsewhere in this STCP shall prevail.

STCP 13-1 Invoicing & Payment
External
SO
TO
Ad Hoc
Invoice SO containing ad hoc charge details, customer account etc
Check & Initiate Payment to TO
Payment Received
Invoice TO containing ad hoc charge details, customer account etc
Check & Initiate Payment to SO
Payment Received

Appendix B: Abbreviations & Definitions

Abbreviations

BACS Banker's Automated Clearance System
SHETL Scottish Hydro-Electric Transmission Limited
SO System Operator
SPT SP Transmission Limited
STC SO-TO Code
TNUoS Transmission Network Use of System
TO Transmission Owner or Offshore Transmission Owner

Definitions

STC definitions used:
Asset Transfer (OFTO Amended Standard Condition E12 - A1)
Business Day
Connection
Financial Year
NGESO
NGET
Other Charges (Schedule Ten)
TO General System Charges (Schedule Ten)
TO Site-Specific Charges (Schedule Ten)