

## SECTION E: BILLING AND PAYMENT

### 1. INTRODUCTION

#### 1.1 This Section E sets out:

- 1.1.1 the constituent parts of TO Charges that are payable by ~~NGESO~~The Company to Transmission Owners (and the constituent parts of ~~the NGESO~~The Company Charges that are payable by Transmission Owners to ~~NGESO~~The Company the detailed description and method of calculation of which are set out in Schedule Ten and the Transmission Licences of the relevant Parties);
- 1.1.2 the invoicing and payment arrangements for TO Charges, ~~NGESO~~The Company Charges and other payments payable by Parties under the Code or a TO Construction Agreement, including the dates upon which such payments fall due;
- 1.1.3 arrangements for dealing with disputes regarding TO Charges, ~~NGESO~~The Company Charges and other amounts payable under the Code or a TO Construction Agreement; and
- 1.1.4 provisions in relation to the payment of interest on late payments and rights of dispute in relation to payments and otherwise pursuant under this Section E.
- 1.1.5 provisions in relation to data to be provided by Offshore Transmission Owners to ~~NGESO~~The Company for the purposes of charge setting by ~~NGESO~~The Company in accordance with the Use of System Charging Methodology.

### 2. TO CHARGES

- 2.1 ~~NGESO~~The Company shall pay to Transmission Owners TO Charges comprising the following:
  - 2.1.1 charges specified in Part One of Schedule Ten (referred to as "**TO General System Charges**");
  - 2.1.2 charges specified in Part Two of Schedule Ten (referred to as "**TO Site-Specific Charges**"); and
  - 2.1.3 charges specified in Part Five of Schedule Ten (referred to as "**Offshore Transmission Owner of Last Resort Charges**").
- 2.2 Each Transmission Owner shall determine its TO General System Charges in accordance with Part One of Schedule Ten.
- 2.3 Each Transmission Owner shall determine its TO Site-Specific Charges in accordance with Part Two of Schedule Ten.
- 2.4 Each Transmission Owner shall determine its Offshore Transmission Owner of Last Resort Charges in accordance with Part Five of Schedule Ten.

### 3. ~~NGESO~~THE COMPANY CHARGES

- 3.1 Each Transmission Owner shall pay to ~~NGESO~~The Company ~~the~~ ~~NGESO~~The Company Charges comprising the following:
- 3.1.1 charges specified in Part Four of Schedule Ten (referred to as "**Interruption Charges**");
  - 3.1.2 charges specified in Part Six of Schedule Ten (referred to as "**Offshore Construction Securities**"); and
  - 3.1.3 charges specified in Part Seven of Schedule Ten (referred to as "**Offshore Compensation Payments**").
  - 3.1.4 charges specified in Part Eight of Schedule Ten (referred to as "**Replacement Offshore Transmission Owner Charges**").
- 3.2 ~~NGESO~~The Company shall determine the Interruption Charges in accordance with Part Four of Schedule Ten.
- 3.3 ~~NGESO~~The Company shall determine the Offshore Construction Securities in accordance with Part Six of Schedule Ten.
- 3.4 ~~NGESO~~The Company shall determine the Offshore Compensation Payments in accordance with Part Seven of Schedule Ten.
- 3.5 ~~NGESO~~The Company shall determine the Replacement Offshore Transmission Owner Charges in accordance with Part Eight of Schedule Ten.

### 4. INVOICING AND PAYMENT

- 4.1 Each Party entitled to receive payment under this Code or a TO Construction Agreement, ("**Receiving Party**"), shall invoice the Party required to make such payment to the Receiving Party ("**Paying Party**") in accordance with the provisions of this Section E, unless otherwise specified in this Code, or such TO Construction Agreement or agreed between the Receiving Party and the Paying Party.
- 4.2 Other than in respect of TO Charges, the arrangements in relation to which are set out in paragraph 4.3 below, a Receiving Party shall despatch an invoice to the relevant Paying Party:
- 4.2.1 not less than thirty days prior to the due date for payment where such due date is specified or otherwise agreed between the Receiving Party and Paying Party; or
  - 4.2.2 not less than thirty days after the date on which such payment accrued, where such due date is not specified or otherwise agreed between the Receiving Party and Paying Party,

and the Paying Party shall make such payment:

- (i) by the specified or otherwise agreed due date in the case of invoices received under sub-paragraph 4.2.1; or
- (ii) within thirty days of the date of the Receiving Party's invoice under sub-paragraph 4.2.2.

4.3 ~~NGESO~~The Company shall pay TO Charges and all other payments due under a TO Construction Agreement to Transmission Owners, in the following manner:

4.3.1 in the case of recurrent monthly TO Charges or other payments, on the later of:

4.3.1.1 the 15th day following the day that the Transmission Owner's invoice therefor was despatched; and

4.3.1.2 the 16<sup>th</sup> day of the month to which the invoiced TO Charges or other payments relate,

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

4.3.2 where TO Charges or other payments are payable other than monthly, within thirty days of the date of the Transmission Owner's invoice therefor.

4.4 The dates for payment as set out in paragraphs 4.2(i) and (ii), 4.3.1.1 and .43.1.2 and 3.3.2 above shall constitute, in each case, the "**Due Date**" for the purposes of this Section E.

4.5 All payments including, without limitation, TO Charges under this Section E shall be made in Pounds Sterling by the variable direct debit method, or such other form of bankers automated payment or other payment method or currency as shall be approved by the relevant Receiving Party, to the account number, bank and branch as the Receiving Party may from time to time notify to the relevant Paying Party.

4.6 Each Receiving Party shall provide such bank account information as a Paying Party reasonably requires from time to time in order to process payments to such Receiving Party in accordance with this Section E or otherwise under this Code or a TO Construction Agreement.

4.7 All payments payable under this Code and each TO Construction Agreement are (unless otherwise specified in this Code, such TO Construction Agreement or agreed between the relevant Receiving Party and Paying Party) exclusive of VAT, which shall be added to such payments, if applicable at the rate applicable at such time. All invoices issued by Parties pursuant to this Section E shall be valid VAT invoices and shall set out the requisite details of the taxable supply to which the given invoice relates.

4.8 All payments under this Code shall (except to the extent otherwise required by law) be paid in full, free and clear of and without deduction set off or deferment, save as otherwise agreed by the Receiving Party and Paying Party or pursuant to a direction, other decision or award following a Dispute referred under paragraph 4.1 below.

- 4.9 Nothing in this Section E shall be construed as preventing a Receiving Party from withdrawing and replacing (without affecting the Due Date for payment) any invoice or associated statement before the Due Date for payment of such invoice, by agreement with the relevant Paying Party, where the Receiving Party is aware of any error in such invoice or associated statement.

## 5. **DISPUTES**

- 5.1 Any disputes arising out of or in relation to TO Charges, ~~NGESO~~The Company Charges or other payments under a TO Construction Agreement, this Code or otherwise pursuant to this Section E, may be referred to the Authority as a Dispute in accordance with Section H, paragraph 5.1 of this Code.

- 5.2 If a Paying Party disputes any amount shown in an invoice or statement as payable by it in respect of any TO Charges, ~~NGESO~~The Company Charges or other payments payable under a TO Construction Agreement or otherwise under this Section E, the Paying Party shall nevertheless pay the amount shown in full and may not withhold payment or any part thereof, but without prejudice to the Paying Party's right subsequently to refer such invoice or statement as a Dispute pursuant to paragraph 5.1 above.

## 6. **INTEREST ON LATE PAYMENT**

- 6.1 If any charges or payments payable under this Code or a TO Construction Agreement are not paid on or before the Due Date, unless otherwise specified in this Code, such TO Construction Agreement or otherwise agreed between the relevant Receiving Party and Paying Party, the Paying Party shall pay interest at the Default Interest Rate on the unpaid charge or payment from the Due Date until the day on which payment is made.

## 7. **DATA PROVIDED BY OFFSHORE TRANSMISSION OWNERS FOR USER CHARGE SETTING BY ~~NGESO~~THE COMPANY**

- 7.1 ~~NGESO~~The Company may request from an Offshore Transmission Owner, data in respect of the elements of TO Generator System Charges and TO Site Specific Charges, that it reasonably requires for the purposes of charge setting in accordance with the Use of System Charging Methodology. ~~NGESO~~The Company will specify in any request made under this paragraph, the scope of data required and the timescales in which data is required.
- 7.2 Each Offshore Transmission Owner is required to provide ~~NGESO~~The Company with data reasonably requested under sub paragraph 7.1.1 within the timescales specified in ~~NGESO~~The Company's request.