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Re: Modification Proposal 0220 'Invoicing Arrangements For Late Payments'

Dear John,

Thank you for your invitation seeking representations with respect to the above Modification Proposal. National Grid Distribution (NGD) supports its implementation.

In order to mitigate the impacts of late payment, TPD Section S3.6 of the UNC provides for the levy of interest charges in respects of amounts not paid by the invoice due date. Such amounts are applied against either a User (where it has failed to make payment to a Transporter in respect of a 'debit' invoice on time) or a Transporter (where it has failed to make payment to a User in respect of a 'credit' invoice on time).

Whilst the timescale within which an Interest Invoice becomes *due for payment* is clearly stated with TPD Section S3.1.2(b) of the UNC, the timescale for the *issue* of the Interest Invoice is not specified. We concur with the proposer's view that in circumstances of a party's failure to pay an amount due, it is reasonable to require that the Transporter issue the Interest Invoice (either debit or credit value to the User) within 35 days of the late payment.

We can confirm that no programme of works is required for NGD to implement this Modification Proposal in the event that the Authority issues the appropriate direction. To this extent we are able to implement immediately.

Overall, we concur with the proposer's assertion that implementation of this proposal would clarify that Interest Invoices need to be raised in a timely manner and will therefore better facilitate the code relevant objective of "*the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code*" (SSC A11.1 (f))

Please contact Chris Warner on 01926 653541 (chris.warner@uk.ngrid.com) should you require any further information with respect to the above.

Yours sincerely

Richard Court
Commercial Manager