

DUoSA Consolidation Group

Payment Terms Sub-group

28th July 2005

General Framework

Existing

Proposed

- | | | |
|--------------------------------------|------------|-------------|
| ■ Clause 6 – Charges | → | ■ Clause 6 |
| ■ Clause 7 – Billing & Payments | → | ■ Clause 7 |
| ■ Clause 8 – Site Specific B & P | → | ■ Clause 8 |
| – Clause 8A – Security | | |
| ■ Schedule 3 – UoS Charges | → X | |
| ■ Schedule 4 – Transactional Charges | → | ■ Clause 9 |
| | | ■ Clause 10 |

Definition of Use of System Charges Current position



- Deemed to include
 - Charges for Use of Distribution Network
 - Certain services provided pursuant to
 - Any Meter Operation Service Agreement
 - Master Registration Agreement
 - Charges made pursuant to Condition 48
- Charges to be calculated in accordance with:
 - Condition 4 Statement
 - Condition 36 Statement
 - Condition 48

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Definition of Use of System Charges Proposed



- Linkage with Use of System Charges definition in Condition 4A. Would then encompass:
 - Charges for distribution of electricity
 - Line Loss factors
 - Charges for accounting and admin services
 - Charges for equipment ancillary to grant of UoS
 - Information on UoS rebates
- Treatment of “Transactional Charges” needs to be addressed

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Other Billing and Payment issues



■ Clause 7 – Billing & Payment

- Practical issue of payment date when calendar shows this to be a Bank Holiday. Only thought likely at Easter?

■ Clause 8 – Site Specific charges

- Use of DUoSA to recover charges bilaterally agreed between DNO and customer, generally in the Connection Agreement. Context of Condition 4A Statement
- Should neutral rate of interest apply, on a reciprocal basis, when estimated and actual charges differ

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Schedule 6 - Disputes



■ “Designated Dispute” entitles User to withhold payment

■ Designated Dispute must be notified within 14 days

- Error in information or arithmetic apparent on face of account
- DNO chooses not to use half hourly data from DC and User disputes accuracy

■ Might be appropriate to link “Designated Dispute” with Charging Methodology

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