

Modification	At what stage is this document in the process?
IGT xxx: Enduring solution for provisions that allow consecutive estimated invoicing <u>Contingency Invoicing</u> in the event of System Failure by the CDSP.	<div style="display: flex; justify-content: space-around;"> 01 Modification 02 Workgroup Report </div> <div style="display: flex; justify-content: space-around;"> 03 Draft Modification Report 04 Final Modification Report </div>
Purpose of Modification:	
<p>The intent of the modification is to extend the provisions that were written into the IGT-UNC under IGT097. These provisions allowed for the Pipeline Operator to be able to create and issue consecutive estimated invoices in the event of any CDSP related prolonged System Failure, or multiple periods of CDSP related System Failure that affect consecutive billing period <u>Billing Periods</u>. The provisions introduced in IGT097 were time bound, and expire in February 2018. It is the intent of this modification to allow for these provisions to be brought into code permanently after the expiration date.</p>	
	The Proposer recommends that this modification should be: <ul style="list-style-type: none"> assessed by a Workgroup <p>This modification will be discussed at workgroup on September 5th, <u>October 3rd</u>.</p>
	High Impact: Transporters
	Medium Impact: None
	Low Impact: Shippers

Commented [A1]: Update dependant on workgroup discussion

Contents		Any questions? Contact: Code Administrator email address telephone Proposer: Neil Brinkley neil.brinkley@bu-uk.co.uk 01359 302451 Other: Gethyn Howard gethyn.howard@bu-uk.co.uk 01359 245754 Other: Insert name email address. telephone Other: Insert name email address. telephone
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Timetable

The Proposer recommends the following timetable: *(amend as appropriate)*

Initial consideration by Workgroup	5 September 2017
Amended Modification considered by Workgroup	03 October 2017 dd month year
Workgroup Report presented to Panel	dd month year
Draft Modification Report issued for consultation	dd month year
Consultation Close-out for representations	dd month year
Variation Request presented to Panel	dd month year
Final Modification Report available for Panel	dd month year
Modification Panel decision	dd month year

1 Summary

What

The Pipeline Operator ("PO") provides the Pipeline User ("User") with invoices that are paid in arrears. In accordance with the provisions under IGT097, and in the event of any System Failure, the PO can submit an estimated invoice to the User. If the System Failure extends across more than one ~~billing-period~~^{Billing Period}, or if there are multiple System Failures that affect consecutive ~~billing-period~~^{Billing} Periods then the PO can submit consecutive estimated invoices without the User's permission (as per IGT097). These provisions were implemented as pre-IGT097, the User was under no obligation to accept, or pay the subsequent estimated invoice, which when considered in a post NEXUS and Funding, Governance and Ownership ("FGO") environment may present cash flow risks for the PO. Furthermore, System Failure can occur in the instance that the Pipeline Operator is unable to "generate information for communication" which can extend to data used for billing purposes that is to be sent by the CDSP to the PO. Noting the following is not an exhaustive list, such instances that could occur resulting in a System Failure as outlined above include blank and/or incorrect data records within delta files for existing supply points and new supply points not appearing on the central system. Therefore, the intent of this change proposal is to implement an enduring solution to the issues originally outlined in the IGT097 modification proposal, and to extend the scope of System Failure to include potential instances of markedly incorrect data received by the PO from the CDSP.

Through the change development process and feedback received from stakeholders, it has been decided that the change should move away from 'estimated' invoicing. This is because invoice documents would not be 'estimated' but based on actual data from previous ~~billing-period~~^{Billing} Periods. It is therefore proposed that the term 'Contingency Invoice' should be included as a defined term, to be used in specific situations relating to CDSP failure. This term and the principles that govern the use of 'Contingency Invoicing' are expanded on later in the change. Furthermore, for the purposes of implementing a 'Contingency Invoicing' process, the business as usual invoicing process will be defined as 'Actual Invoicing'.

Why

Post-February 2018, if there was any form of prolonged System Failure (own system or third party) that spans more than a single ~~billing-period~~^{Billing Period} or multiple separate System Failures that occur in line with consecutive ~~billing-period~~^{Billing} Periods, then the PO will be unable to create and submit estimated invoices for the consecutive ~~billing-period~~^{Billing Period} after the initial estimated invoice was submitted, without the User's permission. Currently, IGT097 provisions allow for the PO to submit these consecutive estimated invoices, therefore mitigating cash flow risk to the PO.

Under FGO arrangements, both the PO and the User are co-operatively responsible for the systems and processes managed by the Central Data Services Provider ("CDSP"). There is a mutual responsibility between PO and the User to ensure that these systems and processes are resilient to failure. It is the proposer's belief that when the current IGT097 drafting falls away (post-Feb 2018) the PO will again be at risk of cash flow issues that the PO would not have been vulnerable to pre-NEXUS, and furthermore would create a situation that does not appear conducive to the co-operative nature of the PO/Users relationship with the CDSP, whereby a PO must request permission to submit ~~estimated~~^{ds} invoices for consecutive ~~billing-period~~^{Billing} Periods even if, for example, the failure is within the remit of the User to remedy with the CDSP. The cash flow risk to POs is exacerbated under FGO arrangements whereby POs in the scenario above, would be unable to recover the transportation charges from the CDSP due to the limited liabilities under the Data Services Contract and associated 'not for profit' model.

This modification therefore seeks to develop an enduring solution to the issues identified in IGT097. IGT097 was approved for implementation by Ofgem and subsequently written into the IGT UNC on 1st June 2017. These original provisions were to dampen the effect of any potential occurrences of System Failure, and to mitigate any cash flow risks that may occur in such situations, by removing the requirement on the PO to receive the User's consent for submitting consecutive estimated invoices in the event of System Failure(s) that originate within the CDSP. It should be noted that these provisions could only be invoked where the System Failure originates within the CDSP, not within the PO's system; the proposer believes it would be against the cooperative nature of the new PO/User/CDSP relationship to allow for the modification to be extended to include System Failure within the PO's system. The removal of the User's consent in these narrow circumstances is expected to ensure equitable treatment whereby the situation is avoided that some Users are invoiced based on estimated data and others on potentially incorrect data.

As in IGT097, these changes are intended to be a backstop measure and only used where required. The legal drafting has been created to reflect this as a proportionate safeguard against CDSP Systems Failure(s), and Systems Failure(s) that occur with the PO system are therefore not changed by this modification.

How

This modification seeks to:

- Introduce a new process into code that allows for 'Contingency Invoicing'.
- Retain the current User Consent clause in relation to consecutive estimated invoices, which excludes occurrences of System Failure within the CDSP system (Part G, paragraph 9.3(b)).
- Retain and amend the definition of System Failure which specifically includes failure of the CDSP system to be able to 'generate and communicate information in whole or in part to the Pipeline Operator in the form and by the method set out in the Data Services Contract'.
- Introduce a number of guiding principles that for PO's must adhere to follow during the Contingency Invoicing in the estimation of invoices process. These principles are set out and explained in the solution section below. These best practice principles are:
 - Estimation of invoices should be based on the last invoice amount paid by the User.
 - Where possible, new connections should be highlighted as a separate line on the estimated invoices.
 - In reconciliation, any retrospective charges and/or credits not previously accounted for will be levied by way of an adjustment.
- Interest should not be applied on the reconciliation of estimated invoices.

Commented [A2]: This User Consent clause will no longer be required as it is not relevant to the Contingency Invoicing process.

Commented [A3]: Update this

2 Governance

Justification for Normal Procedures

The modification should be treated as normal status as it does not meet any of the criteria for Urgent, Self-Governance or Fast Track status.



Requested Next Steps

This modification should:

- Be assessed by a Workgroup.

3 Why Change?

With the implementation of Project NEXUS, there is a risk that data may not be fully or accurately provided by the CDSP to POs. POs have the ability to produce estimated invoices in the occurrence of such an event, until February 2018, after which the code will revert to its old provisions, meaning that again, POs will be unable to submit consecutive estimated invoices without the permission of Pipeline Users, and such Users are under no obligation to accept such estimated invoice, presenting cash flow risks to POs. This is particularly pertinent as the PO may not have the ability to resolve the System Failure with the CDSP. When IGT097 arrangements fall away and old provisions return, the PO is again at risk of cash flow issues which are further exacerbated under FGO arrangements. This is whereby POs, in the event of a User refusing permission to generate an estimated invoice, would be unable to recover the transportation charges from the CDSP due to the limited liabilities under the Data Services Contract and not for profit model.

This modification therefore seeks to introduce a new process into code that allows for Contingency Invoicing. The Contingency Invoicing process will allow for the ambiguity surrounding estimated invoices to be removed. Through the development of this modification and through stakeholder feedback, it was identified that a more robust measure would be required for submitting Invoice Documents where instances of System Failure occurs. It is proposed that the modification should move away from using the term 'estimated' as the data that would be used in the Contingency Invoice is actual data, albeit from the last known accurate Billing Period, or last paid invoice by the User to the PO, indefinitely extend the provisions under IGT097 which removed the requirement on the PO to receive the User's consent for submitting consecutive estimated invoices in the event of System Failure(s) that originate within the CDSP. As with the original IGT097 arrangements, these changes are intended to be a backstop measure and only used where required. The legal drafting has been created to reflect this as a proportionate safeguard against CDSP System Failure(s), and System Failure(s) that occur with the PO system are not therefore changed by this modification.

Commented [A4]: Update

Reference Documents

No additional reference material expected outside of the IGT UNC document or annexes

4 Solution

The solution, as briefly described in the 'How?' section is expanded upon below.

Retain the current User Consent clause in relation to consecutive estimated invoices, which excludes occurrences of System Failure within the CDSP system (Part G, paragraph 9.3(b)).

The retention of the current format to the exceptions written in to the User Consent clause are to ensure that where occurrences of System Failure originate within the CDSP's system, the PO can still generate and submit estimated invoices to the User. If this exception is not retained then there is a material risk of cash flow problems for the User. It should be noted that System Failure that originates within the system of the PO is unchanged from the original pre-097 text, therefore there is no additional allowance for the PO to submit an estimated invoice if System Failure originates within its own systems, unless the User gives consent.

Commented [A5]: We propose to remove this it will be covered by the new 'Contingency Invoice' solution.

Retain and amend the definition of System Failure which specifically includes failure of the CDSP system to be able to 'generate and communicate information in whole or in part to the Pipeline Operator in the form and by the method set out in the Data Services Contract'.

The definition of System Failure was amended in IGT097 to allow CDSP failures to be included. Further to this, planned downtime for maintenance is not included in the definition. Where full and accurate data is not able to be sent by the CDSP to the PO, this undoubtedly constitutes a failure by the CDSP. Due to the limited liabilities within the DSC, the PO is unable to recover the costs that ~~is~~ has incurred in the transportation of gas through its system. It cannot be deemed fair that the User has the choice to give consent to be invoiced for costs that have already been incurred. Furthermore, the situation whereby the CDSP was appointed was not a normal competitive tender, backed off by a commercial contract. If the CDSP was tendered for in a competitive market then undoubtedly the PO would have included contractual liabilities to mitigate the risk of cash flow issues. [It is further proposed that the definition should be amended to specifically include P1 and P2 incidents as constituting System Failure.](#)

Commented [A6]: Retain and update to include P1 and P2 to be defined in System Failure?

Contingency Invoicing

"Contingency Invoicing" is the process of generating and submitting Invoice Documents where Actual Invoicing cannot be undertaken due to an occurrence of System Failure. Any Invoice Documents produced under the Contingency Invoice process will be known as "Contingency Invoices", and take the same meaning as this definition.

"Actual Invoicing" is the process of generating and submitting Invoice Documents using accurate data provided by the CDSP to the PO. For the avoidance of doubt, Actual Invoicing is the business as usual process for billing.

Contingency Invoicing is to be used in the event of System Failure that has occurred at the start of the billing period
Billing Period, or that occurs at any time during the billing period
Billing Period before invoice documents have been produced, and where the PO has evidence to support that at least 50% of the transactional data is inaccurate or where there has been a full data failure to the PO by the CDSP. It is proposed that the definition of System Failure is retained in its current post-IGT097 form, and amended as below:

21.2 (c) **"System Failure"** is an event or circumstance affecting:

- (i) the Computer System of a Pipeline Operator that affects the ability of that Pipeline Operator to generate information for communication or to give or receive communications associated with that information; or
- (ii) the ability of the CDSP to generate and communicate accurate information in whole or in part to the Pipeline Operator in the form and by the method set out in the Data Services Contract between the Pipeline Operator and the CDSP (unless the Pipeline Operator and the CDSP have agreed otherwise), and that the System Failure has been categorised as either a P1 or P2 incident (in accordance with [xxxxxx]) by the CDSP at the start of, or during the Billing Period. -

Commented [A7]: Reference once the live version of PIS document is found. Document that defines what a P1/P2 incident is.

For the avoidance of doubt, planned Computer System downtime, for the purposes of maintenance, that has been notified by the Pipeline Operator or by the CDSP to the Pipeline Operator does not constitute System Failure.

Introduce guiding principles for PO's to follow in the event that Contingency Invoicing is required, in the estimation of invoices. The 'Business Rules'.

These best practice principles are:

1. The Contingency Invoice Estimation of invoices should~~will~~ be based on the last invoice amount paid by the User before System Failure.
 - Where an invoice has been paid by the User with no disputed charges, it would indicate that the User has agreed to, and is happy to pay the invoiced amount. In practice, this would usually be the last months invoice.

2. Where the PO declares that an 'actual' invoice is not possible, and in any case prior to the Contingency Invoice being presented to the User, the PO will issue an email notification to the User advising them accordingly. The email notification will include:
 - a. The reason for invoking Contingency Invoicing processes
 - b. Confirmation that the System Failure is in line with the requirements in [section/clause]
 - c. That the appropriate System Failure has been escalated to the CDSP, and has been confirmed as a P1 or P2 incident.
 - d. The Expected date of System Failure fix, if known.

Unless otherwise requested by the User, the PO will issue the notification to the Contract Manager.

3. The existing RPC Invoice Template invoice format will be amended to include a new Charge Code type B14 for Contingency Invoices and B15 for Contingency Invoice adjustments. Show 'CON' within the Charge Type field. This will highlight that the Contingency Invoicing process has been invoked. The invoice number and date that the Contingency Invoice is based on should be included within the 'General Information Field'.

Changes to the RPC Invoice Template are shown at the bottom of this section.

2.4. Queries raised to the PO by the User should clearly reference the Contingency Invoice that it relates to. Where the PO's system allows possible, new connections should be highlighted as a separate line on the estimated invoices.

- It is recognised that some Users and POs may wish to postpone charging of new connected supply points until the System Failure has been fully resolved, whilst others may wish to apply charges as they would normally be charged, i.e. in arrears on a monthly basis. It is likely that the inclusion of new connected supply points to a Contingency Invoice n-estimated invoice will be a manual activity which may influence the PO's approach. The length of System Failure may also factor into the PO's method. It would be pragmatic for the PO to advise the User of their intention in such circumstances.

5. In reconciliation, any retrospective charges and/or credits not previously accounted for will be levied by way of an adjustment. All invoice adjustments should be completed within 6 months of the resolution of the CDSP System Failure and of the resuming provision of accurate data to the PO by the CDSP.

Commented [A8]: System failure clause when legal text is confirmed.

- This is to allow for costs that have not been recovered, or costs that have been over-charged to be reconciled as if the period of System Failure did not occur. It will ensure that neither the User nor the PO has incurred costs that are not representative of the services it has procured or recovered costs that are not representative of the services provided, respectively.

3.6. Interest should not be applied on the reconciliation of estimated invoices.

- During reconciliation, interest should not be applied on balances that are owed to either the PO or the User.

7. IGT080 text clauses (G 4.9 & G4.10) will not apply where there has been an instance of System Failure within the CDSP system that results in one or more Contingency Invoices being issued.

8. Contingency Invoicing should be for no longer than 8 consecutive full billing period Billing Periods. For the avoidance of doubt, where an instance of System Failure has concluded and the subsequent billing period Billing Period is maintained on 'actual' CDSP data, and is then followed by a further new instance of System Failure, the principles shall again be followed as if it was an initial failure.

- It is recognised that Contingency invoicing estimation should not proceed indefinitely. Therefore, the provisions that allow for submission of Contingency estimated invoices should be capped at 840 months of non-resolution of each consecutive System Failure. It would be hoped that any System Failure would be resolved and data issues/adjustments would be made in a timely manner. However, in the absence of any demonstration of such a System Failure and recovery to date, the PO needs assurance that cash flow risks will not materialise. The cap will incentivise all parties to ensure that resolution is reached by relevant parties to avoid the potential of inaccurate invoices being levied.



RPC Invoicing Template

Field Number		Option	Field	Length	Decimal	Description	
Header		M	C	30	0	SPAA Formatted Short Codes for iGT and Shipper date in format DD/MM/YYYY and Invoice number - format Character cccccccccc	
Footer		M	C	18	2	Number of records and invoice Value, thousands to be delimited by comma	
1		M	T	3	0	Charge Type	This field can be used to apply an indication for easy recognition of RPC or Legacy charges and adjustment charges <u>or if the invoice has been submitted under Contingency Invoicing procedures, and adjustment charges.</u> B10 – Legacy/B11 Legacy Adjustment B12 RPC / B13 RPC Adjustment <u>B14 Contingency Invoice / B15 Contingency Adjustment</u>
2		M	T	15	0	CSEP Number	iGT's Unique Project Reference Numbers
3		M	N	10	0	MPRN	Meter Point Reference No.
4		M	D	10	0	Start Date (for charges in month)	Date Format DD/MM/YYYY
5		M	D	10	0	End Date (for charges in month)	Date Format DD/MM/YYYY
6		M	N	3	0	Billing days in invoice period	Number of billing days in the period
7		M	T	3	0	Exit Zone	Exit Zone or Local Distribution Zone if available
8		M	T	3	0	Property Type	Property type as per NExA table at entry point to RPC. Commercial Supply Points populate "COM".
9		M	D	10	0	RPC Entry Point Date	Connection date of live service to a premise formatted DD/MM/YYYY
10		M	T	12	0	EUC	End User Category
11		M	N	12	0	AQ agreed by Authority at time of entry to RPC (kWh)	AQ in accordance with NExA table at time of RPC Entry
12		M	N	10	0	SOQ agreed at time of RPC entry	SOQ derived from CSEP NExA AQ at time of RPC Entry
13		M	N	12	0	Current Supply Point AQ in kWh	Current AQ Review AQ nominated to xoserve
14		M	T	8	0	CSEP ID	CSEP ID Nominated by xoserve
15		M	N	12	0	xoserve Nominated Maximum CSEP AQ (Provided by Lead IGT with Nest)	Maximum AQ Value held by xoserve taking into account the aggregated sum of all nested CSEPs. If iGT is Nesting – value is 0 If iGT is Lead – aggregated AQ Value If no nest exists – value is iGT CSEP Maximum AQ in kWh
16		M	N	12	0	IGT CSEP Maximum AQ in kWh	iGT CSEP Maximum AQ in kWh as quoted in Schedule 1
17		M	N	12	0	IGT CSEP billing AQ	AQ used to derive transportation rate at time of RPC Entry
18		M	N	12	0	IGT CSEP billing SOQ	SOQ used to derive transportation rate at time of RPC entry
19		C	T	16	0	MSN	Should be populated if iGT is Gas Act Owner of meter
20		C	N	20	4	RPC Infill Uplift charge applicable pence per kWh/pence per day	Uplift maximum should not be greater than 10/ptherm or 0.3412p/kWh at time of RPC, plus RPI
21		C	N	20	4	Meter Operator Charges - pence per day	Meter charge per pence per day rate
22		C	N	20	4	LSP customer corrector charge	Meter asset corrector charge p/day
23		C	T	2	0	Meter Type	CM - Coin Meter; CR - Credit; ET - Electronic Token Meter; MT - Mechanical Token Meter; PP - Prepayment; TH - Thrift; U - Unknown; NS - Non-SMETS; S1 - SMETS1; S2 - SMETS2; S3 - SMETS3; S4 - SMETS4; S5 - SMETS5; S6 - SMETS6; S7 - SMETS7; S8 - SMETS8; S9 - SMETS9;
24		M	N	20	4	Transportation Charge for Billing Period £	Should exclude RPC uplift Cost. Column 21 and meter charge Column 22
25		M	N	20	4	Transportation Rate at time of RPC entry	Transportation rate before annual adjustment
26		M	N	20	2	Total Charge for Billing Period	Exclusive of VAT
27		O	T	50	0	General Information	Free text field for general comments. <u>If a Contingency Invoice has been submitted, the Pipeline Operator must ensure that the General Information field includes:</u> <ul style="list-style-type: none"> • The invoice number that the Contingency Invoice is based on • The date of the invoice that the Contingency Invoice is based on.

5 Impacts & Other Considerations

No impacts anticipated or other considerations required for this modification

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

No impact foreseen or anticipated

Consumer Impacts

None foreseen or anticipated

6 Relevant Objectives

Impact of the modification on the Relevant Objectives:

(A) Efficient and economic operation of the pipe-line system	Positive
(B) Co-ordinated, efficient and economic operation of <ul style="list-style-type: none">(i) the combined pipe-line system; and/or(ii) the pipe-line system of one or more other relevant gas transporters	None
(C) Efficient discharge of the licensee's obligations	None
(D) Securing of effective competition: <ul style="list-style-type: none">(i) between relevant shippers;(ii) between relevant suppliers; and/or(iii) between DN operators (who have entered into transportation agreements with other relevant gas transporters) and relevant shippers	None
(E) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers	None
(F) Promotion of efficiency in the implementation and administration of the Code	Positive
(G) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Cooperation of	None

Energy Regulators

The proposer believes that IGT102 will better facilitate Relevant Objectives A and F.

IGT102 will better facilitate Relevant Objective A as it will introduce provisions that mitigate the risk of This change will avoid potential cash flow issues for Pipeline Operators. These issues arise where the CDSP is unable to provide the PO with full and accurate data for transportation billing purposes.

IGT102 will better facilitate Relevant Objective F as it adds clarity to areas of ambiguity surrounding 'estimated invoices' by introducing a robust process for Contingency Invoicing within periods of System Failure when IGT097 ceases to be effective in February 2018. Furthermore, it adds in processes and procedures that cover off the event of catastrophic system failure, therefore IGT UNC parties should be better prepared in occurrence of such an event.

The proposer believes that this meets relevant objectives (A) and (F).

7 Implementation

The proposer believes that this modification should be implemented at 1st February 2018.

We would, therefore, suggest an extraordinary release or a bringing forward of the February 2018 release.

There are no costs expected as a result of this modification.

8 Legal Text - *(Unchanged from first submission)*

Text Commentary

The legal text will be updated by the proposer once discussions surrounding the solution have been further developed.

The legal text retains the definition of System Failure from IGT097, which added a second event or circumstance in which a System Failure can occur. This instance is where the CDSP is unable to generate and communicate accurate information in whole or in part to the Pipeline Operator in the form and by the method set out in the Data Services Contract between the Pipeline Operator and the CDSP.

This CDSP originated event is then carved out of the requirements under Part G paragraph 9.4 where the PO requires the agreement of a Pipeline User to issue consecutive estimated Invoice Documents in the event of a System Failure or multiple System Failures that occur in respect of Consecutive Billing Periods. As such, in the event that the CDSP experiences issues in providing data to POs that may impact consecutive ~~Billing Periods~~, the PO is able to bill on an estimated basis.

For clarity, the drafting regarding permission for the issuing of consecutive estimated invoices where the issue originates within the PO system remains unchanged.

Suggested Text

Section G

9 Contingencies

9.1 Subject to paragraph 9.4, in the event that, as a result of a System Failure, the Pipeline Operator is unable to produce or submit any Invoice Documents within 7 Days after the expected date (in accordance with paragraph 5) of submission thereof:

- (a) the Pipeline Operator may prepare and submit an Invoice Document containing estimated Invoice Amount(s);
- (b) such an Invoice Document will be a valid Invoice Document; and
- (c) supporting data will be provided with the Invoice Document together with an explanation of the basis of estimation.

9.2 Where the Pipeline User believes that the Pipeline Operator's estimate or basis of estimation is materially inaccurate, the Pipeline User shall as soon as reasonably practicable after receiving the Invoice Document (and in any event before the Invoice Due Date) contact the Pipeline Operator 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 Pipeline User in respect of the Invoice Document issued in accordance with paragraph 9.1, but without prejudice to paragraph 8.1 or 18.

9.3 Where (following discussion under paragraph 9.2) the Pipeline User raises an Invoice Query under paragraph 17.1:

- (a) paragraph 17.1 (c)(i) shall apply on the basis of the detail provided of the basis of estimation; and
- (b) for the purposes of paragraph 17.1 (c)(ii), the Pipeline User shall specify the amount by which the Pipeline User reasonably believes the Pipeline Operator's estimate to be under- or over-stated.

9.4 Except with the agreement of a Pipeline User, the Pipeline Operator may not on the occurrence of any System Failure described by paragraph 21.2(c)(i) submit Invoice Documents containing estimated Invoice Amounts under this paragraph 9 in respect of consecutive Billing Periods.

9.5 For the avoidance of doubt paragraph 9.4 shall not apply in respect of an event described by paragraph 21.2(c)(ii)

9.6 The provisions outlined in the event of a System Failure under paragraph 21.2(c)(ii) shall only apply for the period of 8 months immediately following the implementation of Modification Proposal IGT097.

9.6 For the purposes of submitting Invoice Documents containing estimated Invoice Amounts under paragraph 9.4, the follow principles should, as far as reasonably practicable, be adhered to:

- (a) Estimation of invoices should be based on the last invoice amount paid by the User;
- (b) Where possible, new connections should be highlighted as a separate line on the estimated invoices;
- (c) In reconciliation, any retrospective charges and/or credits not previously accounted for will be levied by way of an adjustment; and
- (d) Interest should not be applied on the reconciliation of estimated invoices.

.....

21.2 (c) "System Failure" is an event or circumstance affecting:



- (i) the Computer System of a Pipeline Operator that affects the ability of that Pipeline Operator to generate information for communication or to give or receive communications associated with that information; or
- (ii) the ability of the CDSP to generate and communicate accurate information in whole or in part to the Pipeline Operator in the form and by the method set out in the Data Services Contract between the Pipeline Operator and the CDSP (unless the Pipeline Operator and the CDSP have agreed otherwise)

For the avoidance of doubt, planned Computer System downtime that has been notified by the Pipeline Operator or by the CDSP to the Pipeline Operator does not constitute System Failure.

Commented [A9]: Unchanged since v1.1

9 Recommendations

Proposer's Recommendation to Panel

Panel is asked to:

- Agree that normal governance procedures should apply
- Refer this proposal to a Workgroup for assessment.