



Billing Guide

June 2018

Introduction

This document explains the stages and the timescales associated with the billing process for Flexible Power's CMZ services. This document does not cover the wider topics that explain the mechanics of how the payments are calculated which are provided in detail in the CMZ payment and contract assistance notes. The CMZ services are based on performance contracts. As such Flexible Power has to collect all the appropriate data relating to services over a calendar month. After all the data is present for a month of service it must then be processed to create event performance summaries, billing statements then finally invoices as part of the self-billing arrangement. This process also includes an opportunity for participants to review and approve the reports before payments are finalised and settled.

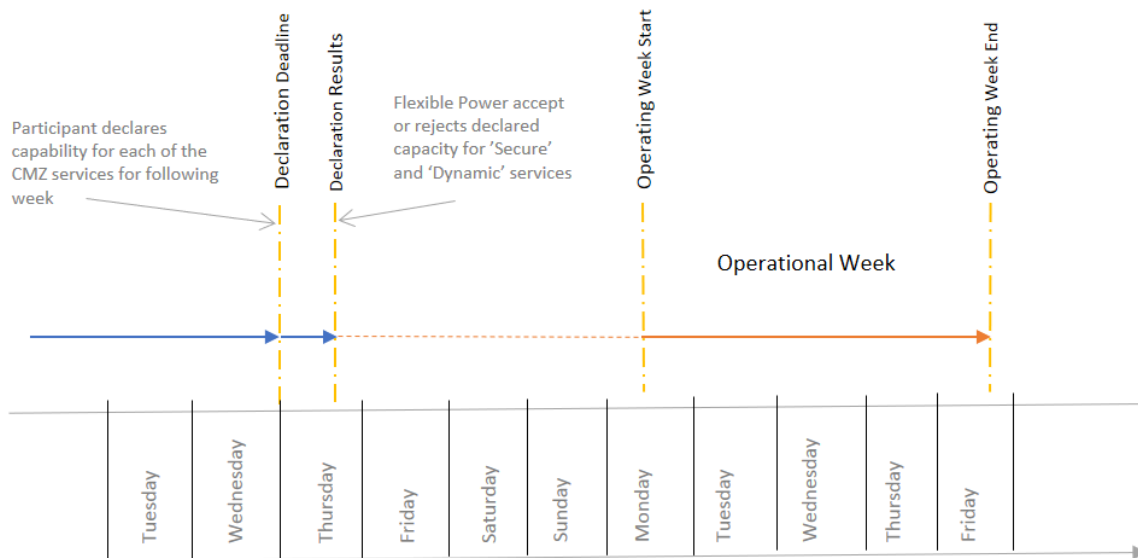
Initial billing details will need to be provided for payments to take place.

Background

As part of the contract set up, Flexible Power will create a user account that will provide a participant with access to their Participant Service Portal. This is the primary point of communication and fulfils multiple functions vital to the provision of services. The Portal identifies all the Constraint Management Zones in which a participant has contracted capacity and allows them to make the week-ahead declarations of service that can then be assessed by WPD's control engineers to determine if they can assist with an optimised network configuration. The outcome of the analysis and the decision as to whether service declarations are to be accepted or rejected are notified to participants via the portal and they will need to log in after midday Thursday to access this. When a participant's capacity is accepted for service the following week it will then need to be scheduled for use the following week if for 'Secure' or held in a state of readiness at the appropriate times for 'Dynamic' and 'Restore'. Dynamic and Restore are both dispatchable services which is notified to the participant with 15 minutes notice.

For all three service variants the operating week then commences on the following Monday. This aspect of service provision is outlined in the diagram below.

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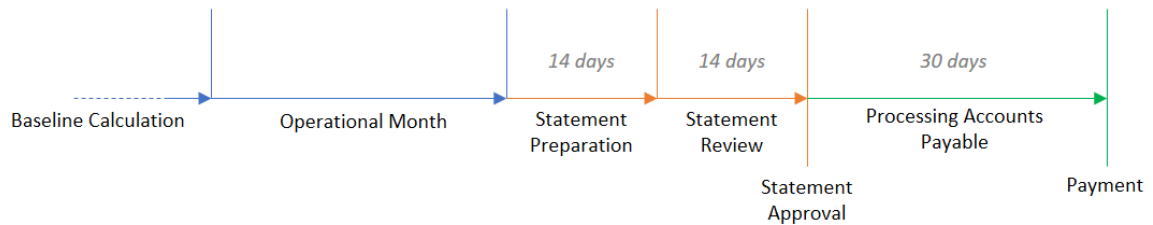
Billing stages and timeline

Flexible Power's services require constant metering with data collected throughout the course of the month. This is collected via the API or the outstation and confirms that we have operational communications, but also facilitates the acquisition of background data to calculate the historic consumption, used for establishing a baseline. The service and payment cycles are based on a calendar month and therefore we operate a total of 12 billing cycles within a year. After the end of each event a performance report is created and provided to the participant via the web portal, and this allows the participant to review their results. At the end of the month these event reports are then compiled along with the availability / arming payments and reconciliations for any shortfall of delivery. Participants should allow up to 14 days from the last day of the month to allow for the processing of the data to produce a full earnings statement. Once the statement has been created and provided to the participant there is then a further 14 days during which they can raise a query against any aspect if there is any dispute over performance or subsequent earnings calculations. If a query is raised, then the earnings statement is placed on hold until any concerns have been resolved. We would endeavour to try and complete this within the 14 day 'approval' window so as to avoid deviating from the standard payment timeline. If however this can't be achieved we will defer the payment to the following months billing cycle.

There will be a 'check box' with each monthly statement so that the participant can proactively 'approve' and confirm that they are happy with the

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calculations. If however no query is raised within the 14 day window it is then assumed to be correct and will generate a 'self-billing' invoice which can be downloaded for financial records and a duplicate sent to WPD accounts payable for processing. This should then be paid directly into the bank account provided within a 30 days.



Supplier Details

Full Company Name	
Company Registered Number	
VAT Registration Number	
Registered Address Line 1	
Address Line 2	
Address Line 3	
Town / City	
Post Code	
Telephone number / Fax number	
Supplier Contact Name	
E-mail address for remittances	
E-mail address for Purchase Orders	
Bank Sort Code	
Bank Account Number	

Please Note.

Your billing details will need to be verified by your company after submission of banking details via a phone call or email.