

CHAPTER 16**INVOICING AND PAYMENT**

16.1 FOREWORD	224
16.2 TYPE OF INVOICE	224
16.3 THE CONTENT OF THE INVOICING DOCUMENTS	225
16.3.1 The invoices relating to the storage services	225
16.3.2 The other types of invoices	226
16.3.3 The annexes to the invoices	226
16.4 THE TERMS FOR ISSUING AND PAYING THE INVOICES	226
16.4.1 The terms for issuing the invoices	226
16.4.2 The terms for paying the invoices	227
16.4.3 Late payment interest	228
16.4.4 Failure to pay and payment order in case of insolvent Shipper and enforcement of the financial guarantee	228
16.4.5 Invoice advance and transmission procedures	230
16.5 OBJECTIONS	230

16.1 FOREWORD

At the end of each month, the Storage Company issues the invoices relating to the prices for the Storage Services. An integral part of this activity is the issue of other invoices, such as those relating to any adjustments and to the interest applied to late payments.

16.2 TYPE OF INVOICE

The invoicing activity enables the Storage Company to value the services provided in accordance with the Resolution.

The Storage Company publishes on its own Website the values of the unit prices per Chapter 8 for use of the storage services described in Paragraph 3.2.

With regard to the Special Services, described in Paragraph 3.3 of the chapter entitled “Description of the Services”, they shall be valued on the basis of the characteristics of the requested service.

In general, the list of invoices issued by the Storage Company in accordance with this document can be divided between the invoices relating to the actual storage Service and those that can be classified as “other types of invoice”.

The former comprise the following items:

1. Tariff price for space capacity, when applicable;
2. Tariff price for peak withdrawal capacity, when applicable;
3. Tariff price for peak injection capacity, when applicable;
4. Capacity assignment prices following the competitive procedures carried out: at the start of the Thermal Year; once the Thermal Year has already started; on a monthly, weekly and daily basis; on a daily basis with the overnomination mechanism;
5. price for charge-back of the costs for the transport capacity relating to the inlet and outlet points interconnected with the Storage System;
6. Prices of balancing and withdrawal lower than stock;
7. Price for the charge-back of the costs relating to the electricity consumption of the compression and treatment plants of the Storage Company, necessary to guarantee Injection and Withdrawal;
8. Price for the excise duties and the regional surtaxes relating to the consumption of the compression and treatment plants of the Storage Company.

The “other types of invoices” comprise:

9. The invoices associated to adjustments and/or corrections of errors relating to the invoices already issued, in the form of debit or credit notes, such as, merely by way of example, manifest typographical and/or calculation errors;
10. The invoices relating to late payment interest;
11. The invoices relating to the costs for managing the transactions and capacity assignment by monthly and/or weekly and/or daily period;
12. The invoices relating to other items.

The prices per points 7. and 8. of this paragraph are determined according to the procedure set out in Annex 16A “Procedure for the allocation of electricity consumption, of excise duties and of regional surtaxes”.

In relation to the Modulation Service with assignment of capacity on a monthly, weekly and daily basis, the Storage Company undertakes to issue Credit Notes relating to the capacities assigned within the aforesaid Service.

Moreover, Edison Stoccaggio shall emit credit notes for the automatic indemnification in case of failure to comply with the specific quality levels per chapter 12.

16.3 THE CONTENT OF THE INVOICING DOCUMENTS

16.3.1 The invoices relating to the storage services

Each document associated with the invoicing in question contains:

- the identifying data of the Storage Company and of the Shipper;
- the number of the invoice;
- the type of invoice;
- the month to which the invoice refers;
- the description of each individual item of the invoice;
- the monthly amount, expressed in Euro, relating to each individual item present in the invoice;
- the total invoiced amount, expressed in Euro;
- the rate and the amount of the Value Added Tax associated with the amount of the invoiced prices, as currently in force;
- any stamp duty.

16.3.2 The other types of invoices

With regard to the documents indicated in points 9. through 12. of paragraph 16.2 of this chapter, the document issued by the Storage Company contains:

- the identifying data of the Storage Company and of the Shipper;
- the number of the invoice;
- the type of invoice;
- the period to which the invoice refers;
- the references to the invoices to be adjusted/corrected;
- the items to be adjusted/corrected;
- the amount to be debited or credited to the Shipper, expressed in Euro;
- the rate and the amount of the Value Added Tax associated with the amount of the invoiced prices, as currently in force;
- any stamp duty.

16.3.3 The annexes to the invoices

Supplementing the information provided in the main body of the invoice and set out in sub-paragraphs 16.3.1 and 16.3.2 above, the Storage Company also provides an annex showing the complete and exhaustive details of the invoicing calculations carried out, bearing the indication of all basic quantities used to compute the amounts; by way of non-comprehensive example, such quantities include:

1. the unit storage and transport prices;
2. the Daily energy allocations;
3. the interest applied.

16.4 THE TERMS FOR ISSUING AND PAYING THE INVOICES

16.4.1 The terms for issuing the invoices

The Storage Company emits the invoice relating to the prices per points 1., 2., 3. of paragraph 16.2 above no later than the fifth business day of the month following the performance.

The Storage Company issues, no later than the twentieth day of the month M+2 from the performance of the Modulation Service with capacity assignment on a monthly, weekly and daily basis, the credit note relating to the amounts deriving from the assignment for the Shipper whose capacities made available were assigned in accordance with paragraph 5.9.2 above.

The Storage Company emits, no later than the fifteenth business day of the month following the performance, the invoices relating to the prices per points 4. through 12. of paragraph 16.2 above, including the items relating to the assignment of capacity by monthly and/or weekly and/or daily period.

Concurrently, if it is necessary to recognise the amounts deriving from the application of the provisions of paragraph 8.7 and of annex 16A, Edison Stocaggio S.p.A. shall provide Shippers with the data necessary for them to issue the appropriate accounting documents for the collection of the amount due to them by the Storage Company. The Storage Company shall pay said amounts no later than 30 days from the date of issue.

The payment, by Edison Stocaggio S.p.A., of the accounting documents per the previous paragraph is subordinated to the verification that the do not have, in view of contracts stipulated in accordance with this Code for the current Thermal Year or for the previous Thermal Years, any amounts invoiced and already due, exceeding the value of the guarantees issued to cover the obligations deriving from the aforementioned contracts.

Said accounting documents (crediting Edison Stocaggio) shall be recognised as deductions of the financial exposure value the Shipper presents with respect to the storage company.

16.4.2 The terms for paying the invoices

The Shipper is obligated to pay the invoices no later than 30 days from their date of issue, with pre-authorized debiting of the account (R.I.D. procedure - Direct Debiting), with a Credit Company indicated by the Storage Company. Alternatively, upon mutual agreement between the Parties, the Shipper may effect the payment by withdrawing a bank collection order (Ri.Ba.) or bank transfer with fixed value date matching the due date with primary banks indicated by the Storage Company.

If the due date falls on a Saturday, Sunday or holiday, the Shipper shall pay the invoices no later than the first subsequent business day.

Shippers are obligated to pay the invoices within the terms prescribed herein: any delays shall be subjected to penalties according to the method indicated below and are one of the grounds for contract termination prescribed under paragraph 17.4 of the chapter entitled “Responsibilities of the Parties”.

Any manifest typographical and/or calculation errors in the invoiced amounts are generally corrected before the payment term, causing the document to be voided and a new invoice to be sent.

16.4.3 Late payment interest

In case of late payment of an invoice, the Shipper shall, on amounts invoiced and not paid, pay interest for each day of delay, equal to the interest rate for the period, published on the Official Gazette of the Republic of Italy, by the Ministry of the Economy and Finance as provided by Article 5 of Legislative Decree no. 231/2002

16.4.4 Failure to pay and payment order in case of insolvent Shipper and enforcement of the financial guarantee

Edison Stoccaggio S.p.A., in the presence of invoices issued and not paid by the Shipper (invoices receivable, payable, any credit notes, inclusive of VAT) for amounts exceeding the value of the guarantees provided, also for the purpose of exercising the retention right per paragraph 17.4.1 below, or of enforcing the Guarantee Gas in accordance with article 5.2.1.1.1, 5.2.1.1.2., 5.2.1.1.3 and 5.2.1.1.4 above notifies the Shipper of the quantity of Gas in storage that, from the date of that notice, may not be used by the Shipper.

This quantity shall be valued according to the amounts invoiced and not paid (invoices receivable, payable, any credit notes, inclusive of VAT and also taking into account the late payment interests accrued at the date of notification on the past due amounts) exceeding the value of the guarantees by the application of the last value of the component per article 6 of the TIVG approved with resolution ARG/GAS 64/09 as amended.

Once 15 days elapse from the aforementioned notification without payment of the amount not covered by existing guarantees or re-establishment of the guarantees, Edison Stoccaggio shall proceed to enforce the guarantees issued and if the latter are not sufficient, it shall proceed, even without the early termination of the Contract, to exercise the retention right per paragraph 17.4.1 below or, alternatively, to enforce the guarantee on the Guarantee Gas for the quantity of gas corresponding to the credit for principal and late payment interest remaining after successful enforcement. In this sense Edison Stoccaggio S.p.A. shall be deemed to be authorised in advanced by the Shipper without any need for further notice, proof or reason, warning or request to the Shipper, all objections having been removed, to sell said quantity of gas to satisfy firstly its own credit and the costs incurred according to the prescribed procedures as a result of exercising the retention right or enforcing the guarantee on the gas.

If the Shipper fully satisfies the uncovered credit before that date, Edison Stoccaggio S.p.A. shall notify the Shipper of the day from which it will be possible to have available all or part of the previously unusable gas again. Similarly, Edison Stoccaggio S.p.A., after the procedures prescribed to satisfy its own credit and having verified that there are no additional unpaid amounts, shall give notice of any gas quantities that have become available again.

In case of competitive procedure, Edison Stoccaggio S.p.A. shall withhold from the amount obtained a fixed charge for the management of the sale itself, equal

to € 50,000, to pay for the administrative and other expenses incurred on the occasion, which therefore shall be considered as payment of the overdue amounts. The fixed charge is revaluated every thermal year starting from thermal year 2014-2015, applying the general consumer price index for blue and white collar households measured by ISTAT.

Edison Stocaggio S.p.A. shall include the Gas quantity per the present paragraph in calculating the Shipper's Gas availability for:

- i) verifying compliance with the Injection and Withdrawal profiles and the consequent application of the balancing costs;
- ii) calculating the available Injection and Withdrawal Capacities;
- iii) applying the price equal to 2xCVS in the prescribed cases.
- iiii) applying the provisions of Article 15.14 of Resolution no. 119/05.

If the Shipper has several overdue payables with respect to Edison Stocaggio S.p.A., including those relating to Contracts for previous Thermal Years, and effects one or more payments that do not fully extinguish the aforesaid overdue payables, each of these payments shall be applied, irrespective of any different indication by the Shipper upon payment, according to the following order of priority:

- a) to the invoices relating to the tariffs of the Mandatory Services, including the invoices provided under letters 6, 7 and 8 per paragraph 16.2 (as well as management charges and the related late payment interest) and, among those invoices, to those with the earliest due dates;
- b) to the invoices relating to the prices for use of the Strategic Gas (and to the related late payment interest) and, among those invoices, to those with the earliest due dates;
- c) to the invoices relating to the balancing prices (and to the related late payment interest) and, among those invoices, to those with the earliest due dates;
- d) to the remaining invoices.

If Edison Stocaggio S.p.A. exercises its right to enforce, in part or in full, the guarantees per paragraph 5.2.1, the amount to be enforced shall be applied according to the aforesaid order of priority.

16.4.5 Invoice advance and transmission procedures

The invoices and the Credit Notes issued by the Storage Company, including the annexes, shall be advanced and sent to the Shipper according to the procedures set out in the Storage Contract.

16.5 OBJECTIONS

If the Shipper has any objections about the invoiced amount, the Shipper shall nonetheless pay the disputed invoice in full. If the objection is found to be well-grounded, the correction shall be applied concurrently with the first invoice following the resolution of the dispute, taking into account the interest as defined in case of late payment. For the regulations of any arbitration necessary to resolve the dispute, please refer to paragraph 17.8 of the chapter “Responsibilities of the Parties”.

The invoices not disputed by the Shipper within 60 days from the issue date shall be deemed to be definitively accepted by the Parties.